

SCHOOL DISTRICT  
OF  
**TOWN**  
OF  
**HAMMONTON**

Town of Hammonton Board of Education  
Hammonton, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2015

# **Comprehensive Annual Financial Report**

of the

Town of Hammonton Board of Education

Hammonton, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

Town of Hammonton Board of Education

Business Administration

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE TOWN OF HAMMONTON BOARD OF EDUCATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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## **Introductory Section**

# *Hammonton Board of Education*

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Hammonton, NJ 08037  
Phone 609-567-7000 + Fax 609-561-4420  
Website: [www.hammontonps.org](http://www.hammontonps.org)

Dr. C. DAN BLACHFORD  
*Superintendent of Schools*

BARBARA S. PRETTYMAN  
*Business Administrator/Board Secretary*

November 30, 2015

Honorable President and  
Members of the Board of Education  
Town of Hammonton School District  
Atlantic County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Town of Hammonton School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, management's discussion and analysis, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the US. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Town of Hammonton School District is an independent reporting entity as set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Town of Hammonton Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through twelve. These include regular as well as special education for handicapped children. The District completed the 2014-2015 fiscal year with an average daily enrollment of 3,585 students, which is 38 students below the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2014-2015	3,585	(.97)
2013-2014	3,623	.77
2012-2013	3,595	1.55
2011-2012	3,540	.54
2010-2011	3,521	2.95
2009-2010	3,420	1.72
2008-2009	3,362	2.97
2007-2008	3,265	(.88)
2006-2007	3,294	(2.17)
2005-2006	3,367	1.99

**2) ECONOMIC CONDITION AND OUTLOOK:** The ability to meet the standards of a "Thorough and Efficient Education" continues to be exceptionally difficult in Hammonton. For example, the New Jersey Department of Education has communicated that Hammonton is "...under adequacy by \$11,625,884." Further evidence of our lack of funding is illustrated by the "Taxpayers' Guide To Education Spending." In the group Operating Type K-12 / 3501+ Pupils; we are the second lowest spending district in Budgetary Per Pupil Cost; we are spending \$11,046. Additionally, it does not seem likely that our revenue will increase due to the economic conditions in Atlantic Count and more specifically in the entertainment industry in Atlantic City.

Hammonton Public Schools will continue to use every possible technique to provide the students with an efficient education, as well as, a thorough education. We are an approved NJ Department of Education Choice School for grades k-10. This brings in additional funding of about \$1,800,000 to our Early Childhood Elementary School, Warren E. Sooy Elementary School, Hammonton Middle School, and Hammonton High School.

**3) MAJOR INITIATIVES:** There are several new initiatives for 2015-2016 school year. Hammonton will continue with staff development and monitoring in the areas of differentiated instruction, Sheltered Instruction Observation Protocol (SIOP), Collins Writing, and Kid Writing. Some other initiatives that are designed to improve student academic accomplishments are as follows:

- The principals at the Early Childhood Education Center, Warren E. Sooy, and Hammonton Middle School are improving and developing their Achievement Academies. In the 2015-2016 school year they have added Academies that include 2nd – 3rd Grade Theater, Art, One Act Play, Lego Robotics, and Robotics. (All CCSS)

- In Hammonton High School, in order to be in compliance with the NJ Department of Education regulations on State standardized testing, we implemented a program to use Acuplacer or AFVAB as an alternative for this year. We also developed portfolios for students that fail the end or course PARCC exams. The principal developed a series of tutoring programs to help the students who are at risk of failure to pass the exams. (CCSS – language arts literacy and mathematics)
- The principal of Hammonton Middle School is developing teachers' ability to teach higher order thinking skills. Many of his teachers use Google Classroom and by increasing the use of higher order skills the students' academic achievement will improve. (All CCSS)
- The entire process of the State Assessment PARCC was very time consuming and distracting during the 2014-2015 school year. The issues included technology, scheduling, and parents "opting out." We were able to react to these issues despite the fact that virtually all of them were outside of our control. This year we are increasing communications with parents in order to improve the process.
- In the 2015-2016 school year we are dramatically increasing the number of "hands on" or lab science lessons in grades 1-5. We have added several units that are partially supported by science kits. All address the Next Generation Science Standards.
- In our Early Childhood Education Center we are improving the alignment of Intervention & Referral Services (I&RS) and Response to Intervention (RTI). This will involve implementing a true tiered intervention system, moving students through the appropriate tiers, tracking interventions, and using a wide range of approaches and strategies. (CCSS language arts literacy and mathematics)
- In our Early Childhood Elementary Center and Warren E. Sooy Elementary School, we had significant increases in grade level reading scores during the 2014-2015 school year. For the 2015-2016 school year we are increasing our independent reading by putting structures in place to ensure that students are reading choice materials daily, keeping track of their reading, and setting reading goals. We will modify schedule to ensure that time is specifically earmarked for independent reading and provide professional development for teachers. This will cover ways to assess progress and support deep understanding of texts.
- During the summer of 2015, the teachers developed new units in science and re-aligned units in social studies. These units are highly motivational for students and focus on big ideas or topics that are highly interesting to the students. (1-PS4-1 to 3-5-ETS1-3) we have infused language arts literacy skills in each unit. (CCSS: 3.1, 3.2, 3.3, 3.4).

**4) INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

**6) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

**7) DEBT ADMINISTRATION:** At June 30, 2015, the District's outstanding debt issues included \$27,464,000 of general obligation bonds. The proceeds of the bond issues were used to provide funds for the construction of the High School and Early Childhood Center and also for capital improvements to the Middle School and W.E.S. Elementary School.

**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1 and 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**9) RISK MANAGEMENT:** The Hammonton Board of Education is a member of the New Jersey Schools Insurance Group (NJSIG). The program provides school districts with a long-term alternative to the conventional insurance market as a means of stabilizing the otherwise cyclical nature of insurance expenditures. The Fund provides its member districts with the following coverage:

1. Property
2. Equipment Breakdown;
3. General and Automobile Liability;
4. Worker's Compensation;
5. School Leaders Errors and Omissions Liability;

**10) OTHER INFORMATION:**

A) **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita & Volpa, PA was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular 04-04 and 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**11) ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Town of Hammonton Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

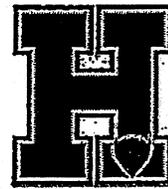
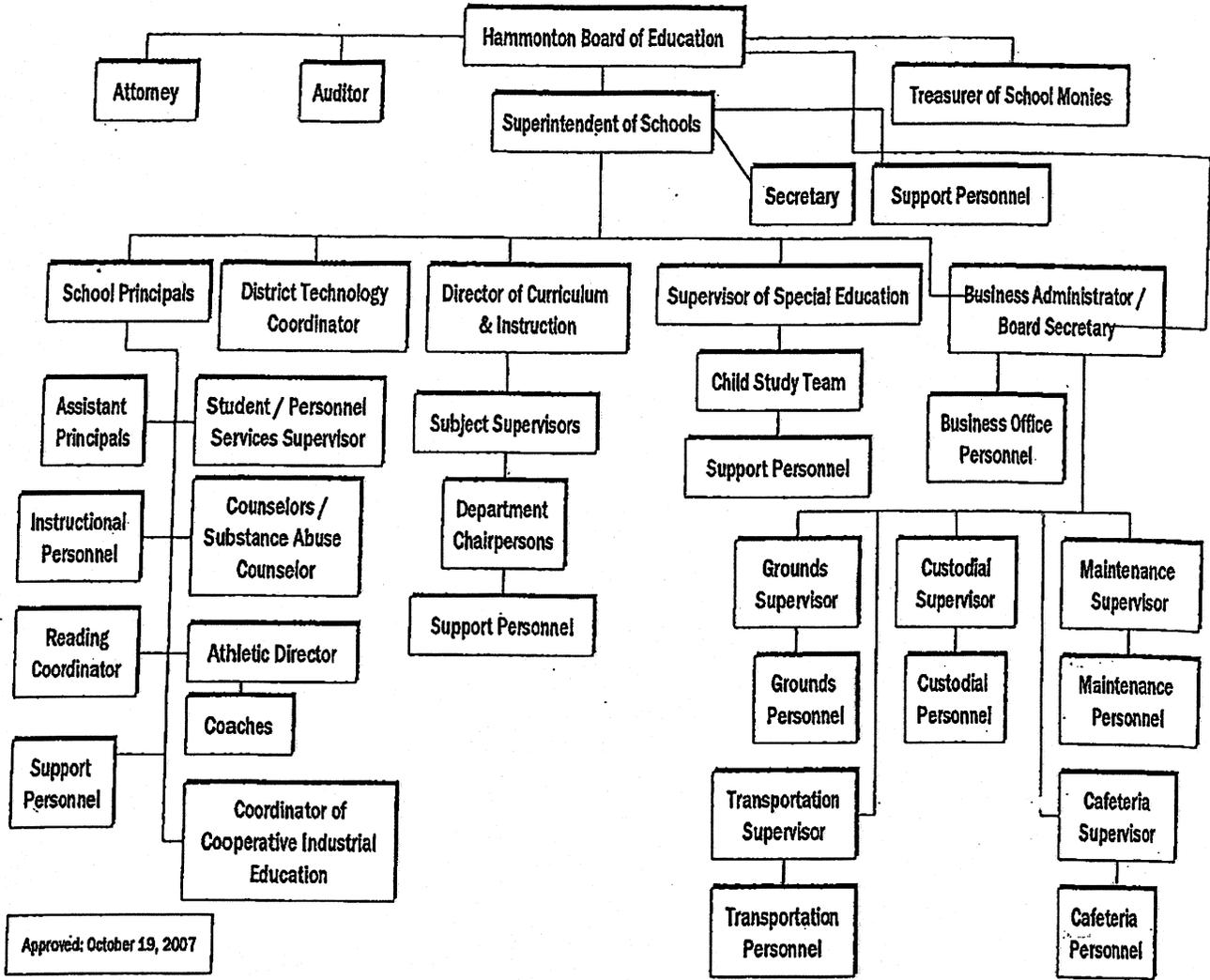


Dr. C. Dan Blachford  
Superintendent



Barbara S. Prettyman  
School Business Administrator/  
Board Secretary

# Hammonton Board of Education District Organizational Chart



**TOWN OF HAMMONTON BOARD OF EDUCATION**

**Roster of Officials  
June 30, 2015**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Sam Mento III, President	2017
John Lyons, Vice President	2016
Thomas Attanasi	2015
Barbara Berenato	2016
Manuel Bermudez	2017
Linda Byrnes	2016
Joseph Giraldo	2017
Leo Petetti	2015
Eric Weiss	2015
Robert Walsh - Waterford Representative	2015
Lisa O'Toole - Folsom Representative	2015
<b><u>Other Officials</u></b>	
Dr. C. Dan Blachford, Superintendent	
Barbara S. Prettyman, Business Administrator/Board Secretary	
William Donio, Esq., Solicitor	

**TOWN OF HAMMONTON BOARD OF EDUCATION**

**Consultants and Advisors**

**Audit Firm**

Nightlinger, Colavita & Volpa, PA  
991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

**Attorney**

William S. Donio, Esq.  
Cooper Levenson  
1125 Atlantic Avenue  
Atlantic City, NJ 08401

**Bond Counsel**

McManimon and Scotland, LLC  
One Riverfront Plaza  
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**Official Depository**

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Hammonton, NJ 08037

# NIGHTLINGER, COLAVITA & VOLPA

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Certified Public Accountants*

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November 30, 2015

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and  
Members of the Board of Education  
Town of Hammonton School District  
County of Atlantic, New Jersey

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Town of Hammonton School District in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2015, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hammonton Board of Education in the County of Atlantic, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, thereof where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary information*

The Management Discussion and Analysis and Budgetary Comparison Information on pages 12 through 18 and 63 through 73 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hammonton Board of Education's, financial statements as a whole. The introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedure applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express do not express an opinion or provide any assurance on them.

**Other reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued a report dated November 30, 2015 on our consideration of the Town of Hammonton Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governments Auditing Standard and should be considered in assessing the results of our audit.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

**Required Supplementary Information**  
**Part I**

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the Town of Hammonton School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the fiscal year by \$4,279,554. This amount represent Net Position, which increased by \$1,469,186 from the previous year end.
- The District's total net position of governmental activities totaled \$3,356,542.
- General revenues accounted for \$35,272,211 in revenue, or 67% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and capital grants accounted for \$17,699,292 or 33% to total revenues of \$52,971,503.
- Total net assets of governmental activities increased by \$1,495,384, made up of changes in cash and cash equivalents, various receivables and various liabilities.
- The district had \$49,820,463 in governmental expenses, of which \$16,043,342 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily Federal and State aid) of \$35,272,211 adequately provided for governmental activity programs.
- The General Fund had \$46,371,520 in revenues, \$750,000 in transfers to Capital Projects Fund, \$417,967 in transfers to Debt Service Fund, \$1,763 in prior year adjustments and \$44,967,036 in expenditures. As a result, the General Fund balance increased by \$238,280.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements, required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.

- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
  - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service area and latchkey program.
  - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

### **Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District's food service and latchkey programs are included here.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for its employees' unemployment compensation plan. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a comparative summary of the School District's net position for the years ended in 2015 and 2014.

Table 1  
Net Position

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Current and other assets	\$12,329,936	11,614,933
Capital assets, net	<u>39,760,877</u>	<u>38,461,187</u>
<b>Total assets</b>	<u>52,090,813</u>	<u>50,076,120</u>
<b>Deferred Outflows</b>	<u>657,083</u>	
<b>Liabilities</b>		
Long-term liabilities	43,529,592	30,313,016
Other liabilities	<u>4,163,311</u>	<u>4,620,874</u>
<b>Total liabilities</b>	<u>47,692,903</u>	<u>34,933,890</u>
<b>Deferred Inflows</b>	<u>775,439</u>	
<b>Net position</b>		
Invested in capital assets	13,271,952	10,591,945
Restricted	8,202,910	8,441,948
Unrestricted	<u>(17,245,308)</u>	<u>(3,891,663)</u>
<b>Total net position</b>	<u>\$4,279,554</u>	<u>15,142,230</u>

Table 2  
Changes in Net Position

	<u>2015</u>	<u>2014</u>
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$10,740,009	11,296,610
Operating Grants and Contributions	6,959,283	7,065,558
General Revenues		
Property Taxes	18,179,805	17,710,591
Grants and Entitlements	16,882,546	16,376,166
Other	211,623	171,500
<b>Total Revenues</b>	<u>52,973,266</u>	<u>52,620,425</u>
Program Expenses		
Instruction	29,126,620	28,874,569
Support Services		
Tuition	1,972,518	1,8019,423
Pupils and Instructional Staff	6,795,710	6,248,551
General Administration, School		
Administration, Business	4,275,347	4,461,737
Operation and Maintenance	4,321,308	4,259,158
Pupil Transportation	2,196,897	2,180,090
Interest on Debt	1,132,063	1,167,844
Business Type Activities	<u>1,683,617</u>	<u>1,690,831</u>
<b>Total Expenses</b>	<u>51,504,080</u>	<u>50,692,203</u>
<b>Increase (Decrease) in Net Position</b>	<u>\$ 1,469,186</u>	<u>1,928,222</u>

**Business-type Activities**

Operating revenues of the District's business-type activities decreased \$43,376 over the previous year and expenses decreased by \$7,214.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

<b>Revenues</b>	<u>Total Cost of Services 2015</u>	<u>Net Cost of Services 2015</u>	<u>Total Cost of Services 2014</u>	<u>Net Cost of Services 2014</u>
Instruction	\$29,126,620	14,613,526	28,874,569	13,868,291
Support services:				
Tuition	1,972,518	1,811,017	1,809,423	1,628,690
Pupils and instructional staff	6,795,710	6,114,102	6,248,551	5,626,531
General Administration, School				
Administration, Business	4,275,347	3,948,724	4,461,737	4,018,653
Plant operations/maintenance	4,321,308	4,164,066	4,259,158	4,062,356
Pupil transportation	2,196,897	1,993,623	2,180,090	1,966,420
Interest on long term debt	1,132,063	1,132,063	1,167,844	1,167,844
<b>Total expenses</b>	<b>\$49,820,463</b>	<b>33,777,121</b>	<b>49,001,372</b>	<b>32,338,785</b>

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$52,367,549 and expenditures of \$52,686,684. The net change in fund balance for the year was a decrease of (\$319,135).

**General Fund Budgetary Highlights**

As further explained in the Footnotes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the County office and, as a Type II School District, are approved by the voters annually. Transfers of appropriations that do not exceed 10% on a cumulative basis may be made by Board resolution at any time during the fiscal year. Transfers of appropriations that exceed 10% on a cumulative basis must be approved by the Commissioner of Education. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2015, the District had invested \$39.8 million in a broad range of capital assets, including land, buildings, improvements, machinery and equipment.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	324,908	324,908			324,908	324,908
Construction in progress	3,852,399	1,567,225			3,852,399	1,567,225
Site improvements	862,846	1,037,418			862,846	1,037,418
Bldgs and Bldg impr.	32,818,526	33,860,123			32,818,526	33,860,123
Machinery & equipment	1,554,271	2,404,549	347,927	266,964	1,902,198	2,671,510
<b>Total</b>	<b>39,412,950</b>	<b>38,194,223</b>	<b>347,927</b>	<b>266,964</b>	<b>39,760,877</b>	<b>38,461,187</b>

Detailed information about the District's capital assets is presented in Note 6 to the financial statements.

### Long-term Obligations

All bonds are authorized in accordance with State law by the voters of the District. At the end of the current fiscal year, the District had total bonded debt outstanding of \$28,794,000.

	<u>Balance 6/30/14</u>	<u>Issued/ Refunded</u>	<u>Retired/ Adjusted</u>	<u>Balance 6/30/15</u>
<b>Governmental Activities</b>				
Bonds payable	\$28,794,000		1,330,000	27,464,000
Obligations under Capital leases	50,317		50,317	0
Compensated absences Payable	3,017,928	4,263		3,022,191
<b>Total Governmental Activities</b>	<b>\$31,862,245</b>	<b>4,263</b>	<b>1,380,317</b>	<b>30,486,191</b>
<b>Business-type Activities</b>				
Compensated absences Payable	\$28,984	2,502		31,486
<b>Total Business-type Activities</b>	<b>\$28,984</b>	<b>2,502</b>	<b>0</b>	<b>31,486</b>

More detailed information about the District's long-term obligations is presented in Note 7 to the financial statements.

The legal debt limit for the District is \$53,257,474 of which \$25,793,474 or 51.57% is available to be authorized by voter approval.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The student population in the District has increased approximately 60% over the past 10 years, resulting in a significant strain on the school district and the local taxpayers. The 2014-2015 state aid funding increased however, based on the current state of the economy, we are unable to predict what the future holds as far as future state aid allocations.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 566 Old Forks Road, Hammonton, New Jersey 08037.

**BASIC FINANCIAL STATEMENTS**

## **DISTRICT - WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$8,717,428	635,647	9,353,075
Restricted cash		50,000	50,000
Receivables, net	\$13,004	4,808	17,812
Due from other governments	\$2,850,779	55,108	2,905,887
Internal balances	\$75,815	(75,815)	
Inventory		3,162	3,162
Capital assets not being depreciated:			
Land	\$324,908		324,908
Capital assets, net of accumulated depreciation	\$39,088,042	347,927	39,435,969
Total Assets	<u>\$51,069,976</u>	<u>1,020,837</u>	<u>52,090,813</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	<u>\$657,083</u>	<u>0</u>	<u>657,083</u>
<b>LIABILITIES</b>			
Accounts payable	\$3,287,660	44,397	3,332,057
Accrued interest payable	\$503,625		503,625
Intergovernmental payable	\$84,660		84,660
Unearned revenue	\$221,027	21,942	242,969
Net Pension Liability	\$13,011,915		13,011,915
Noncurrent liabilities:			
Due within one year	\$1,447,904		1,447,904
Due beyond one year	\$29,038,287	31,486	29,069,773
Total liabilities	<u>\$47,595,078</u>	<u>97,825</u>	<u>47,692,903</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	<u>\$775,439</u>	<u>0</u>	<u>775,439</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$12,924,025	347,927	13,271,952
Restricted for:			
Other Purposes	\$8,202,910	50,000	8,252,910
Unrestricted (Deficit)	(\$17,770,393)	525,085	(17,245,308)
Total net position	<u>\$3,356,542</u>	<u>923,012</u>	<u>4,279,554</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Instruction:							
Regular	\$17,753,981	5,586,094	9,854,615	4,214,193	(9,271,267)		(9,271,267)
Special education	2,980,799	1,063,711		327,706	(3,716,804)		(3,716,804)
Other instruction	1,363,626	378,409		116,580	(1,625,455)		(1,625,455)
Support services:							
Tuition	1,448,298	524,220		161,501	(1,811,017)		(1,811,017)
Student & instruction related services	5,241,313	1,554,397		681,608	(6,114,102)		(6,114,102)
School administrative services	1,812,427	601,525		228,151	(2,185,801)		(2,185,801)
General administrative services	786,177	104,528		32,203	(858,502)		(858,502)
Plant operations and maintenance	3,810,910	510,398		157,242	(4,164,066)		(4,164,066)
Pupil transportation	1,773,864	423,033	72,947	130,327	(1,993,623)		(1,993,623)
Business and other support services	755,583	215,107		66,269	(904,421)		(904,421)
Unallocated benefits	10,961,422	(10,961,422)			0		0
Interest on long-term debt	1,132,063				(1,132,063)		(1,132,063)
<b>Total governmental activities</b>	<b>49,820,463</b>	<b>0</b>	<b>9,927,562</b>	<b>6,115,780</b>	<b>(33,777,121)</b>		<b>(33,777,121)</b>
Business-type activities:							
Food Service	1,571,045		695,274	843,503		(32,268)	(32,268)
After School Program	112,572		117,173			4,601	4,601
<b>Total business-type activities</b>	<b>1,683,617</b>		<b>812,447</b>	<b>843,503</b>		<b>(27,667)</b>	<b>(27,667)</b>
<b>Total primary government</b>	<b>\$51,504,080</b>		<b>10,740,009</b>	<b>6,959,283</b>	<b>(33,777,121)</b>	<b>(27,667)</b>	<b>(33,804,788)</b>
General revenues:							
Taxes:							
					16,506,429		16,506,429
					1,673,376		1,673,376
					16,882,546		16,882,546
					17,799	1,469	19,268
					190,592		190,592
					1,763		1,763
<b>Total general revenues, special items, adjustments, extraordinary items and transfers</b>					<b>35,272,505</b>	<b>1,469</b>	<b>35,273,974</b>
<b>Change in Net Position</b>					<b>1,495,384</b>	<b>(26,198)</b>	<b>1,469,186</b>
<b>Net Position—beginning (restated)</b>					<b>1,861,158</b>	<b>949,210</b>	<b>2,810,368</b>
<b>Net Position—ending</b>					<b>\$3,356,542</b>	<b>923,012</b>	<b>4,279,554</b>

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

**GOVERNMENTAL FUNDS**

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$3,829,302		762,015		4,591,317
Capital reserve cash	4,126,111				4,126,111
Interfund accounts receivable	373,864				373,864
Receivables, net	13,004				13,004
Receivables from other governments	442,610	621,260	1,786,909		2,850,779
<b>Total assets</b>	<u>8,784,891</u>	<u>621,260</u>	<u>2,548,924</u>	<u>0</u>	<u>11,955,075</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	906,566	134,493	2,246,601		3,287,660
Interfund payable		232,049	66,000		298,049
Due to other governments	1,141	83,519			84,660
Unearned revenue	1,170	219,857			221,027
<b>Total liabilities</b>	<u>908,877</u>	<u>669,918</u>	<u>2,312,601</u>	<u>0</u>	<u>3,891,396</u>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve	4,126,111				4,126,111
Tuition Reserve	1,600,000				1,600,000
Maintenance Reserve	1,908,839				1,908,839
Emergency Reserve	316,618				316,618
Special revenue fund (Deficit)		(48,658)			(48,658)
<b>Assigned:</b>					
Designated for subsequent year's expenditures	300,000		236,323		536,323
<b>Committed:</b>					
Encumbrances	85,195				85,195
<b>Unassigned:</b>					
General fund (Deficit)	(460,749)				(460,749)
<b>Total Fund balances</b>	<u>7,876,014</u>	<u>(48,658)</u>	<u>236,323</u>	<u>0</u>	<u>8,063,679</u>
<b>Total liabilities and fund balances</b>	<u>\$8,784,891</u>	<u>621,260</u>	<u>2,548,924</u>	<u>0</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 39,412,950

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the funds. 657,083

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the funds. (775,439)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (13,011,915)

Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (503,625)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (30,486,191)

Net position of governmental activities \$3,356,542

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local tax levy	\$16,506,429			1,673,376	18,179,805
Tuition charges	9,854,615				9,854,615
Transportation fees from other leas	72,947				72,947
Interest earned on capital reserves	8,236				8,236
Interest	8,522		1,041		9,563
Miscellaneous	190,592				190,592
Local sources		44,422			44,422
State sources	19,636,623	783,827	968,126	388,868	21,777,444
Federal sources	93,556	2,134,606			2,228,162
<b>Total revenues</b>	<b>46,371,520</b>	<b>2,962,855</b>	<b>969,167</b>	<b>2,062,244</b>	<b>52,365,786</b>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	14,532,938	2,497,165			17,030,103
Special education instruction	2,833,375				2,833,375
Other instruction	1,311,181				1,311,181
Support services and undistributed costs:					
Tuition	1,375,645				1,375,645
Student & instruction related services	4,823,150	202,733			5,025,883
General administrative services	771,690				771,690
School administrative services	1,686,226	42,834			1,729,060
Plant operations and maintenance	3,577,016				3,577,016
Pupil transportation	1,715,234				1,715,234
Business and other support services	725,770				725,770
Unallocated Benefits	11,006,113	208,602			11,214,715
Debt service:					
Principal				1,330,000	1,330,000
Interest and other charges				1,150,211	1,150,211
Capital outlay	608,698	15,445	2,272,658		2,896,801
<b>Total expenditures</b>	<b>44,967,036</b>	<b>2,966,779</b>	<b>2,272,658</b>	<b>2,480,211</b>	<b>52,686,684</b>
Excess (Deficiency) of revenues over expenditures	1,404,484	(3,924)	(1,303,491)	(417,967)	(320,898)
<b>OTHER FINANCING SOURCES (USES)</b>					
Prior year adjustment	1,763				1,763
Transfers in			750,000	417,967	1,167,967
Transfers out	(1,167,967)				(1,167,967)
<b>Total other financing sources and uses</b>	<b>(1,166,204)</b>	<b>0</b>	<b>750,000</b>	<b>417,967</b>	<b>1,763</b>
Net change in fund balances	238,280	(3,924)	(553,491)	0	(319,135)
Fund balance—July 1	7,637,734	(44,734)	789,814	0	8,382,814
Fund balance—June 30	<u>\$7,876,014</u>	<u>(48,658)</u>	<u>236,323</u>	<u>0</u>	<u>8,063,679</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2015**

**Total net change in fund balances - governmental funds (from B-2)** (\$319,135)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.

Depreciation expense	(1,514,917)	
Capital outlays	<u>2,733,644</u>	1,218,727

Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities 1,330,000

Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is reported in the statement of activities. 50,317

Payment of accrued interest on long term debt is an expenditure in the governmental funds, but the payment reduces the liability in the statement of net position and is not reported in the statement of activities. 18,147

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (798,409)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (4,263)

**Change in net position of governmental activities** \$1,495,384

**PROPRIETARY FUNDS**

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program (Non Major Fund)	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$534,228	101,419	635,647
Restricted cash	50,000		50,000
Accounts receivable	55,108		55,108
Other accounts receivable	2,861	1,947	4,808
Inventories	3,162		3,162
Total current assets	645,359	103,366	748,725
Noncurrent assets:			
Furniture, machinery & equipment	738,450	119,467	857,917
Less accumulated depreciation	(477,956)	(32,034)	(509,990)
Total noncurrent assets	260,494	87,433	347,927
Total assets	905,853	190,799	1,096,652
<b>LIABILITIES</b>			
Current liabilities:			
Interfund Accounts Payable	65,916	9,899	75,815
Accounts Payable	43,937	460	44,397
Unearned Revenue	14,719	7,223	21,942
Compensated absences	28,002	3,484	31,486
Total current liabilities	152,574	21,066	173,640
Total liabilities	152,574	21,066	173,640
<b>NET POSITION</b>			
Net investment in capital assets	260,494	87,433	347,927
Restricted	50,000		50,000
Unrestricted	442,785	82,300	525,085
Total net position	\$753,279	169,733	923,012

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	Business-type Activities - Enterprise Fund		
	Food Service	Latchkey Program (Non Major Fund)	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$349,746		349,746
Daily sales - non-reimbursable programs	304,346		304,346
Special functions	39,834		39,834
Miscellaneous	1,348		1,348
Latchkey program revenue		117,173	117,173
Total operating revenues	695,274	117,173	812,447
 Operating expenses:			
Cost of sales	736,433		736,433
Salaries	490,178	91,397	581,575
Employee benefits	213,312	7,765	221,077
General supplies & materials	54,508	5,969	60,477
Other costs	31,749		31,749
Depreciation	44,865	7,441	52,306
Total operating expenses	1,571,045	112,572	1,683,617
Operating (loss)	(875,771)	4,601	(871,170)
 Nonoperating revenues:			
State sources:			
State school lunch program	16,610		16,610
Federal sources:			
National school lunch program	645,105		645,105
National school breakfast program	126,315		126,315
National school snack program	547		547
Food distribution program	54,926		54,926
Interest and investment revenue	1,278	191	1,469
Total nonoperating revenues	844,781	191	844,972
Change in net position	(30,990)	4,792	(26,198)
Total net position—beginning	784,269	164,941	949,210
Total net position—ending	\$753,279	169,733	923,012

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Latchkey Program (Non Major Fund)</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$698,660	119,573	818,233
Payments to employees	(768,861)	(95,134)	(863,995)
Payments to suppliers	(762,517)	(5,969)	(768,486)
Net cash provided/(used) by operating activities	<u>(832,718)</u>	<u>18,470</u>	<u>(814,248)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash received from state and federal reimbursements	793,553		793,553
Net cash provided by non-capital financing activities	<u>793,553</u>	<u>0</u>	<u>793,553</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(133,269)		(133,269)
Net cash (used) by capital and related financing activities	<u>(133,269)</u>	<u>0</u>	<u>(133,269)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	1,278	191	1,469
Net cash provided by investing activities	<u>1,278</u>	<u>191</u>	<u>1,469</u>
Net increase (decrease) in cash and cash equivalents	(171,156)	18,661	(152,495)
Balances—beginning of year	755,384	82,758	838,142
Balances—end of year	<u>\$584,228</u>	<u>101,419</u>	<u>685,647</u>
<b>Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:</b>			
Operating income/(loss)	(\$875,771)	\$4,601	(871,170)
Adjustments to reconcile operating income(loss) to net cash provided/(used) by operating activities			
Depreciation and net amortization	44,865	7,441	52,306
Federal commodities	54,926		54,926
(Increase)/Decrease in accounts receivable, net	2,335	(1,193)	1,142
Decrease in inventories	5,258		5,258
(Decrease)/Increase in accounts payable	(11)	224	213
(Decrease)/Increase in interfund accounts payable	(67,100)	3,031	(64,069)
(Decrease)/Increase in unearned revenue	1,051	3,593	4,644
(Decrease)/Increase in compensated absences payable	1,729	773	2,502
Total adjustments	<u>43,053</u>	<u>13,869</u>	<u>56,922</u>
Net cash provided/(used) by operating activities	<u>(\$832,718)</u>	<u>18,470</u>	<u>(814,248)</u>

**FIDUCIARY FUNDS**

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2015**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$280,987	51,699	324,193
	<hr/>	<hr/>	<hr/>
Total assets	<u>280,987</u>	<u>51,699</u>	<u>324,193</u>
<b>LIABILITIES</b>			
Accounts payable	18,450		
Payroll deductions and withholdings			20,848
Payable to student groups			303,345
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>18,450</u>	<u>0</u>	<u>324,193</u>
<b>NET POSITION</b>			
Held in trust for unemployment claims and other purposes	<u>\$262,537</u>	<u>51,699</u>	

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2015**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Plan member	\$47,456	
Total Contributions	<u>47,456</u>	<u>0</u>
Investment earnings:		
Interest	522	151
Net investment earnings	<u>522</u>	<u>151</u>
Total additions	<u>47,978</u>	<u>151</u>
<b>DEDUCTIONS</b>		
Unemployment claims	41,786	
Scholarships awarded		4,000
Total deductions	<u>41,786</u>	<u>4,000</u>
Change in net position	6,192	(3,849)
Net position—beginning of the year	256,345	55,548
Net position—end of the year	<u>\$262,537</u>	<u>51,699</u>

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Hammonton School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Town of Hammonton School District (District) have been prepared in conformity with accounting principles generally accepted in the United State of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are discussed below.

**A. REPORTING ENTITY:**

The Town of Hammonton School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. In addition, one member is appointed from the Folsom School District and the Waterford School District under a sending/receiving relationship, as required by the statutes. Effective with the 2013 fiscal year, the election of Board Members was moved to the general election in November.

The purpose of the district is to educate students in grades K-12 as well as providing educational services for the Borough of Folsom students in grades 9-12 and the Township of Waterford students in grades 7-12. Beginning with the 2011-2012 school year, the District was approved as a Choice School. The Town of Hammonton School District had an approximate enrollment at June 30, 2015 of 3,585 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general, special revenue, capital projects and debt service activities are classified as governmental activities. The District's food service and latchkey program are classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements however, interfund balances between the governmental funds and business-type activities are reflected as internal balances. The District's net positions are reported in three parts-net investments in capital assets; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service and latchkey). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, bond issues costs, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are excluded from the government-wide financial statements.

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS:**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to the proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
- d. **Debt service** funds are used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

**Fund Balances – Governmental Funds**

In the fund financial statements, governmental funds report the following classifications of fund balance:

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**2. Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district and a Latchkey Program to provide before and after school care for school aged children in grades Pre-K through 5.

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

**3. Fiduciary Funds:**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position. They are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Trust and Agency Funds – The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Funds – are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust and the Scholarship Fund.

Agency Funds – are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activity funds.

**D. BASIS OF ACCOUNTING:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net positions are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net positions. Depreciation is charged as an expense against current operations and capital assets are reported net of accumulated depreciation on the statement of net position.

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures are generally recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

**E. BUDGETS/BUDGETARY CONTROL:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2 (g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. However, any transfer that cumulatively exceeds ten percent of the advertised budget category must receive the approval of the County Superintendent of Schools.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

Significant transfers approved by the Board of Education during the fiscal year were as follows:

<u>Account Name</u>	<u>Amount</u>
Regular Programs – Salaries of Teachers 1-5	317,555
Regular Programs – Salaries of Teachers 6-8	(123,200)
Regular Programs – Salaries of Teachers 9-12	(109,560)
Regular Programs – General Supplies	(277,073)
Regular Programs – Textbooks	149,130
Learning and/or Language Disabilities - Salaries	138,100
Learning and/or Language Disabilities - Other Salaries	118,347
Autism - Salaries	(110,555)
Autism - Other Salaries	(118,347)
School Sponsored Athletics – Purchased Services	102,020
Care and Upkeep of Grounds – Cleaning, Repair and Maintenance Services	(141,345)
Student Transportation Services - Supplies	(143,460)
Unallocated Benefits – Health Benefits	(981,043)
Unallocated Benefits – Other Employee Benefits	157,125
Equipment – School Buses - Regular	179,000

**F. ENCUMBRANCE ACCOUNTING:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**G. ASSETS, LIABILITIES AND EQUITY:**

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

**Investments**

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

**Interfund Transactions**

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

**Inventories**

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the enterprise fund are recorded at cost, computed on a first-in, first-out method.

**Capital Assets**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are reported as capital assets at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed on the straight-line basis over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

**Compensated Absences**

The District accounts for compensated absences (e.g. sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the district for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as unearned revenue.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balance of any debt used for the acquisition, construction or improvement of those assets.

Net positions are reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the School district, or through external restrictions imposed by creditors, grantors, or law or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Fund Balance Reserves**

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified governmental fund balances as follows;

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Education, Superintendent or Business Administrator.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

**Revenues**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. In the proprietary funds, operating revenues consist of revenues that are a direct result of the operations of the program. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue. With respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient.

**Expenditures**

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**Tuition Receivable**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

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**Tuition Payable**

Tuition charges for the fiscal year were based on rates established by the receiving districts. These rates are subject to change when the actual costs have been determined.

**Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

**Allocation of Costs**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses such as depreciation, compensated absences and employee benefits are allocated to functions but are reported separately in the Statement of Activities.

**H. ACCOUNTING CHANGES**

Change in Accounting Principles – As the result of implementing Governmental Accounting Standards Board (GASB) Statements Nos. 68, the District restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of July 1, 2014 by \$12,331,862. The decrease results from recording the net pension liability offset by deferred outflows.

**I. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, “Fair Value Measurement and Application”. This statement effective for fiscal periods beginning after June 15, 2015, will not have any effect on the District’s financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”. This statement effective for fiscal periods beginning after June 30, 2016, will not have any effect on the District’s financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”. This statement effective for fiscal periods beginning after June 30, 2016, establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the District’s financial reporting.

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In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement effective for fiscal periods beginning after June 30, 2015, will not have any effect on the District's financial reporting.

NOTE 2. – INVESTMENTS

As of June 30, 2015, the district had no investments. However, if the District had investments they would be subject to the following risks.

**Interest Rate Risk.** The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk.** New Jersey Statutes 18A:20-37 limits district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk.** The district places no limit on the amount the district may invest in any one issuer.

NOTE 3. – CASH

**Custodial Credit Risk—Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. At June 30, 2015, the carrying amount of the District's deposits (cash and cash equivalents) was \$10,059,954 and the bank balance was \$10,783,915.

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As of June 30, 2015, the School District's bank balance was exposed to custodial credit risk as follows:

FDIC Insured	\$ 250,000
GUDPA Insured	10,533,915
Bank balance, June 30, 2015	<u>\$10,783,915</u>

NOTE 4 – RECEIVABLES

Receivables at June 30, 2015, consisted of other receivables (tuition, taxes and other), interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	\$ 2,728,103	\$ 2,783,211
Other	135,680	140,488
Total Receivables, Net	<u>\$ 2,863,783</u>	<u>\$ 2,923,699</u>

NOTE 5. INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2015, consisted of the following:

Food	\$ 1,514
Supplies	1,648
	<u>\$ 3,162</u>

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Disposals / Adjustments</u>	<u>Balance June 30, 2015</u>
<b>Governmental Activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 324,908			324,908
Construction in Progress	<u>1,567,225</u>	<u>2,285,174</u>		<u>3,852,399</u>
Total capital assets not being depreciated	<u>1,892,133</u>	<u>2,285,174</u>		<u>4,177,307</u>

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Site improvements	3,511,272			3,511,272
Bldg and bldg improve	52,308,809			52,308,809
Machinery & equipment	5,772,941	448,470	57,028	6,278,439
Total at historical cost	<u>61,593,022</u>	<u>448,470</u>	<u>57,028</u>	<u>62,098,520</u>
Less accum depr for:				
Site improvements	(2,473,854)	(174,572)		(2,648,426)
Bldg and bldg improve	(18,448,686)	(1,041,597)		(19,490,283)
Machinery & equipment	(4,368,392)	(298,748)	(57,028)	(4,724,168)
Total accum deprec	<u>(25,290,932)</u>	<u>(1,514,917)</u>	<u>(57,028)</u>	<u>(26,862,877)</u>
Total capital assets being depr, net of accum depr	<u>36,302,090</u>	<u>(1,066,447)</u>	<u>0</u>	<u>35,235,643</u>
<b>Governmental activities capital assets, net</b>	<u>38,194,223</u>	<u>1,218,727</u>	<u>0</u>	<u>39,412,950</u>
<b>Business-type activities:</b>				
Equipment	794,328	133,269	(69,679)	857,918
Less accum depr for:				
Equipment	<u>(527,364)</u>	<u>(52,306)</u>	<u>69,679</u>	<u>(509,991)</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 266,964</u>	<u>80,963</u>	<u>0</u>	<u>347,927</u>

Depreciation expense as charged to governmental functions as follows:

Regular instruction	772,023
Special education	147,010
Other instruction	52,298
Tuition	72,449
Student & instruction related services	214,825
School administrative services	83,133
General administrative services	14,446
Plant operations and maintenance	70,539
Pupil transportation	58,465
Business and other support services	29,729
	<u>\$ 1,514,917</u>

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NOTE 7. LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<b>Balance</b>			<b>Balance</b>	<b>Amounts</b>
	<b>6-30-14</b>	<b>Issued</b>	<b>Retired</b>	<b>6-30-15</b>	<b>Due</b>
					<b>Within</b>
					<b>One year</b>
<b>Governmental Activities</b>					
Bonds & loans payable:					
School bonds	\$ 28,794,000		1,330,000	27,464,000	1,365,000
Obligations under capital					
Leases	50,317		50,317	0	
Other liabilities:					
Compensated absences					
Payable	3,017,928	4,263		3,022,191	82,904
Governmental activities long-term liabilities					
	<u>31,862,245</u>	<u>4,263</u>	<u>1,380,317</u>	<u>30,486,191</u>	<u>1,447,904</u>
<b>Business-type Activities:</b>					
Other liabilities:					
Compensated absences					
Payable	28,984	2,502		31,486	
Business-type activities long-term liabilities	\$ <u>28,984</u>	<u>2,502</u>		<u>31,486</u>	

Compensated absences and capital leases will be liquidated in the General Fund.

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

**Description of Bonds Payable**

At June 30, 2015, bonds payable consisted of the following issues:

\$21,611,000 School Bonds dated 10/15/2001 payable in annual installments through August 1, 2012. Interest is paid semiannually at a fixed rate of 4.75% per annum. The balance as of June 30, 2015 was \$0. \$7,385,000 of these bonds were refunded on 9/19/06. The net present value savings amounted to \$426,798. \$10,890,000 of these bonds were refunded on 3/23/10. The net present value savings amounted to \$449,777.

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\$10,890,000 School Bonds dated 3/23/2011 payable in annual installments through August 1, 2025. Interest is paid semiannually at varying rates between 2.00% and 5.00% per annum. The balance as of June 30, 2015 was \$8,875,000.

\$7,385,000 School Bonds dated 9/19/2006 payable in annual installments through August 1, 2030. Interest is paid semiannually at varying rates between 3.00% and 4.20% per annum. The balance as of June 30, 2015 was \$7,275,000.

\$2,614,000 School Bonds dated 4/15/2006 payable in annual installments through July 15, 2021. Interest is paid semiannually at varying rates between 4.25% and 4.30% per annum. The balance as of June 30, 2015 was \$1,414,000.

\$11,800,000 School Bonds dated 6/24/2011 payable in annual installments through July 1, 2030. Interest is paid semiannually at varying rates between 3.25% and 4.125% per annum. The balance as of June 30, 2015 was \$9,900,000.

Debt service requirements on serial bonds payable at June 30, 2015 are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	1,365,000	1,102,860	2,467,860
2017	1,455,000	1,042,666	2,497,666
2018	1,505,000	978,661	2,483,661
2019	1,550,000	912,237	2,462,237
2020	1,600,000	846,553	2,446,553
2021-2025	8,204,000	3,260,086	11,464,086
2026-2030	9,600,000	1,485,673	11,085,673
2031	2,185,000	45,585	2,230,585
	<u>\$ 27,464,000</u>	<u>9,674,321</u>	<u>37,138,321</u>

**B. Bonds Authorized But Not Issued:**

As of June 30, 2014 the Board had authorized but not issued bonds in the amount of \$0.

**C. Capital Leases Payable:**

The District leased equipment and copiers under capital leases. Semiannual lease payments were made to TD Bank and DLL, and included interest at a rate of 4.15% to 5.472% per annum. Assets acquired under the leases are included in the general fixed assets of the District; but the District has not segregated those assets or the related depreciation expense. The balance on these leases as of June 30, 2015 was \$0.

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NOTE 8. PENSION PLANS

*Description of Plans*

All required employees of the District are covered by either the Public Employees' Retirement System, the Teacher's Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm)

*Teachers' Pension and Annuity Fund (TPAF)*

The Teachers' Pension and Annuity Fund (TPAF) was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple- employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

*Summary of Significant Accounting Policies* - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or

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deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$105,283,211 as measured on June 30, 2014 and \$97,711,916 as measured on June 30, 2013.

*For the year ended June 30, 2015, the District recognized pension expense of \$5,665,225 and revenue of \$5,665,225 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2015 is based upon changes in the collective net pension liability with a measurement period of June 30, 2013 through June 30, 2014. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2013 and June 30, 2014.*

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	-	\$2,306,623,861
Collective deferred inflows of resources	-	\$1,763,205,593
Collective net pension liability (Nonemployer-State of New Jersey)	\$50,539,213,484	\$53,446,745,367
State's portion of the net pension liability that was associated with the District	\$97,711,916	\$105,283,211
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.193339%	0.196988%

*Actuarial assumptions* - The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.5%
Salary Increases:	Varies based on experience
Investment Rate of Return:	7.90%

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Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds / Absolute Ret	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

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*Discount rate.* The discount rate used to measure the State's total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers (State of New Jersey) will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

Since the District's has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf15.pdf>

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple- employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

*Summary of Significant Accounting Policies* – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2015, the District reported a liability of \$13,011,915 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. At June 30, 2014, the District's proportion was 0.06949794% which was an increase of .001536% from its proportion measured as of June 30, 2013.

*For the year ended June 30, 2015, the District recognized pension expense of \$720,802. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:*

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	-
Changes of assumptions	\$657,083	
Net difference between projected and actual earnings on pension plan investments		\$775,439
Total	<u>\$657,083</u>	<u>\$775,439</u>

	<u>6/30/2013</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	-	\$ 952,194,675
Collective deferred inflows of resources	-	1,479,224,662
Collective net pension liability (Non State-Local Group)	\$19,111,986,911	\$18,722,735,003
District's portion of net pension liability	755,546	597,212
District's proportion %	0.06796229%	0.06949794%

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*Actuarial assumptions.* The total pension liability in the July 1, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.01%
Salary Increases:	
2012-2021	2.15%-4.40% based on age
Thereafter	3.15%-5.40% based on age
Investment Rate on Return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds / Absolute Ret	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

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*Discount rate.* The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax- exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability measured as of June 30, 2014, calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1% Decrease</u> (4.39%)	<u>Current</u> <u>Discount Rate</u> (5.39%)	<u>1% Increase</u> (6.39%)
District's proportionate share of the net pension liability	\$xx	\$13,011,915	\$xx

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

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The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L.2008 and Chapter 103, P.L. 2008, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

The School District's contributions to PERS for the years ending June 30, 2015, 2014, 2013 were \$572,931, \$512,082 and \$507,064 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2015, 2014 and 2013, the State of New Jersey contributed \$2,721,279, \$2,199,696 and \$2,661,875 respectively, to the TPAF for post-retirement medical benefits and NCGI Premium on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$1,483,348, \$1,447,119 and \$1,445,363 during the same fiscal years for the employer's share of social security contributions for TPAF members as

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

*Significant Legislation*

Chapter 78, P.L. 2011, effective June 23, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method of amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

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Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to  $1/60^{\text{th}}$  from  $1/55^{\text{th}}$ , and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as  $1/7^{\text{th}}$  of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 9. POST-RETIREMENT BENEFITS**

Chapter 384 of P.L. 1987 and Chapter 6 of P.L. 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, C.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, C.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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Notes to Financial Statements  
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The State is also responsible for the cost attributable to P.L. 1992 C.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**NOTE 10. DEFERRED COMPENSATION**

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Ameriprise Financial  
American Century Services  
ASpire Financial Services  
TPAF Supplemental Annuity  
Putnam Funds  
Lincoln Investment Planning  
Siracusa Benefits Program  
Vanguard Investments  
AXA Equitable Life Insurance Company  
Great American Financial Resources

**NOTE 11. COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g. sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts.

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, a liability existed for

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compensated absences in the Food Service Program and the Latchkey Program in the amounts of \$28,002 and \$3,484 respectively.

NOTE 12. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Town of Hammonton Board of Education in a prior year, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$5,460,199
Interest Earnings	8,236
Budgeted Withdrawal	<u>(1,342,324)</u>
Ending balance, June 30, 2015	<u>\$4,126,111</u>

The 2015-2016 Budget includes a withdrawal from the Capital Reserve Account in the amount of \$163,157.

NOTE 13. EMERGENCY RESERVE

New Jersey Statute 18A:7F-41(c) permits school districts to establish a current expense emergency reserve in the general fund with deposits made to the account with voter approval, beginning in the fiscal year 2008 budget process, or at year end by board resolution. This reserve account is to be used to finance future unanticipated (reasonably unforeseeable) general fund expenditures required for a thorough and efficient education. The emergency reserve balance cannot exceed \$250,000 or one percent of the district's general fund budget (which amounts to \$490,883 for the 2014 fiscal year) up to a maximum of \$1 million, whichever is greater. Withdrawals require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health costs greater than four percent.

**Town of Hammonton School District**  
**Notes to Financial Statements**  
**June 30, 2015**

The activity in the emergency reserve for the 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 315,986
Interest Earnings	632
Ending balance, June 30, 2015	<u>\$ 316,618</u>

NOTE 14. MAINTENANCE RESERVE

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility.

The activity in the maintenance reserve for the 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 653,659
Interest Earnings	780
Deposits – Board Resolution June 11, 2015	1,400,000
Budgeted Withdrawal	<u>(145,600)</u>
Ending balance, June 30, 2015	<u>1,908,839</u>

The 2015-2016 Budget includes a withdrawal from the Maintenance Reserve Account in the amount of \$325,000.

NOTE 15. TUITION RESERVE 2012-2013

New Jersey Statute permits school districts to accumulate funds for tuition adjustments. The district shall make full appropriation of the reserve for tuition adjustments in the second year following the contract year.

The activity in the tuition reserve for the 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 800,000
Budget Appropriation	<u>(800,000)</u>
Ending balance, June 30, 2015	<u>\$ 0</u>

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

NOTE 16. TUITION RESERVE 2013-2014

New Jersey Statute permits school districts to accumulate funds for tuition adjustments. The district shall make full appropriation of the reserve for tuition adjustments in the second year following the contract year.

The activity in the tuition reserve for the 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 800,000
Budget Appropriation	0
Ending balance, June 30, 2015	<u>\$ 800,000</u>

The 2015-2016 Budget includes a withdrawal from the Tuition Reserve Account in the amount of \$800,000.

NOTE 17. TUITION RESERVE 2014-2015

New Jersey Statute permits school districts to accumulate funds for tuition adjustments. The district shall make full appropriation of the reserve for tuition adjustments in the second year following the contract year.

The activity in the tuition reserve for the 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$ 0
Board Resolution, dated June 11, 2015	800,000
Ending balance, June 30, 2015	<u>\$ 800,000</u>

NOTE 18. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$460,749 in the General Fund and \$48,658 in the Special Revenue Fund as of June 30, 2015 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

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**Notes to Financial Statements**  
**June 30, 2015**

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of correction action. The District deficit in the GAAP funds statement of \$460,749 in the General Fund and \$48,658 in the Special revenue fund is equal to or less than the last state payment(s).

NOTE 19. FUND BALANCES

Restricted Fund Balance

Capital Reserve – As of June 30, 2015, there is a balance of \$4,126,111 in the Capital Reserve Account of which \$163,157 has been appropriated and included as anticipated revenue for the year ended June 30, 2016.

Tuition Reserve – As of June 30, 2015, there is a balance of \$800,000 in the 2013/2014 Tuition Reserve Account which has been included as anticipated revenue for the year ended June 30, 2016; and \$800,000 in the 2014-2015 Tuition Reserve Account.

Maintenance Reserve – As of June 30, 2015, there is a balance of \$1,908,839 in the Maintenance Reserve Account of which \$325,000 has been appropriated and included as anticipated revenue for the year ended June 30, 2016.

Emergency Reserve – As of June 30, 2015, there is a balance of \$316,618 in the Emergency Reserve Account of which \$0 has been appropriated and included as anticipated revenue for the year ended June 30, 2016.

Special Revenue Fund Deficit – As of June 30, 2015, the special revenue fund deficit is \$48,658. The deficit is a result from the delay in the payment of state aid until the following fiscal year.

Debt Service Fund – As of June 30, 2015, there is a balance of \$0 in the Debt Service Fund which has been appropriated and included as anticipated revenue for the year ended June 30, 2016.

Assigned Fund Balance – As of June 30, 2015, \$300,000 has been included as anticipated revenue for the year ended June 30, 2016.

Committed Fund Balance – As of June 30, 2015, \$85,195 is for year-end encumbrances.

Unassigned Fund Balance Deficit – As of June 30, 2015, the unassigned fund balance of the general fund was a deficit of \$460,749. The deficit is a result from the delay in the payment of state aid until the following fiscal year.

**Town of Hammonton School District**  
**Notes to Financial Statements**  
**June 30, 2015**

NOTE 20. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$0.

NOTE 21. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2015 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending (deficit) balance of the District’s expendable trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$0	47,456	522	(41,786)	262,537
2013-2014	0	46,559	405	(28,384)	256,345
2012-2013	0	45,096	920	(24,135)	237,765

NOTE 22. ECONOMIC DEPENDENCY

The District is heavily reliant on local property taxation to fund the District operations and debt service. Property taxes funded approximately 35% of the Districts 2014-2015 governmental operations.

NOTE 23. RESTATEMENT OF BALANCES

Certain accounts have been restated in the prior year to conform to categories established in the current year. The amounts are immaterial to the financial statements.

**Town of Hammonton School District  
Notes to Financial Statements  
June 30, 2015**

NOTE 24. RESTATEMENT OF NET POSITION

The District adopted GASB No. 68 - Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated to its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

In accordance with GASB Statement No. 68, the June 30, 2014 net position was restated in the prior year to reflect a net pension liability offset by deferred outflows, as follows:

Beginning net position as previously reported at June 30, 2014	\$14,193,020
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability (measurement date)	(12,988,945)
Net Deferred Outflows	<u>657,083</u>
Net Position as restated, July 1, 2014	<u>\$ 1,861,158</u>

NOTE 25. INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 373,864	
Special Revenue Fund		\$ 232,049
Capital Projects Fund		66,000
Food Service Fund		65,916
Latchkey Program		9,899
	<u>\$ 373,864</u>	<u>\$ 373,864</u>

Interfunds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds. The interfunds between the governmental funds and the business-type activities are shown as Internal Balances on the governmental-wide financial statements.

NOTE 26. SUBSEQUENT EVENTS

Approximately \$50,000 will be needed from the Food Service Enterprise Fund to replace cafeteria equipment for the 2015-2016 school year.

End of Notes to Financial Statements

**Required Supplementary Information**  
**Part II**

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$16,506,429		16,506,429	16,506,429	0
Tuition	9,759,101		9,759,101	9,854,615	95,514
Transportation Fees from Other LEA's	100,000		100,000	72,947	(27,053)
Interest earned on Capital Reserves	3,800		3,800	8,236	4,436
Interest earned				8,522	8,522
Miscellaneous	6,200		6,200	190,592	184,392
<b>Total - Local Sources</b>	<b>26,375,530</b>	<b>0</b>	<b>26,375,530</b>	<b>26,641,341</b>	<b>265,811</b>
State Sources:					
Equalization Aid	11,214,703		11,214,703	11,214,703	0
Categorical Special Education Aid	1,396,079		1,396,079	1,396,079	0
Categorical Security Aid	129,159		129,159	129,159	0
Categorical Transportation Aid	132,393		132,393	132,393	0
Special Education Extraordinary Aid	99,363		99,363	223,223	123,860
Public School Choice Aid	1,807,064		1,807,064	1,787,422	(19,642)
UnderAdequacy Aid	500,000		500,000	500,000	0
PARCC Readiness Aid	27,340		27,340	27,340	0
Per Pupil Growth Aid	27,340		27,340	27,340	0
Non Public Transportation Aid				5,046	5,046
On-Behalf TPAF Non-Contributory Insurance				1,051,702	1,051,702
On-Behalf TPAF Pension Contributions-Post Retirement					
Medical Contributions (non-budgeted)				1,669,577	1,669,577
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,483,348	1,483,348
<b>Total - State Sources</b>	<b>15,333,441</b>	<b>0</b>	<b>15,333,441</b>	<b>19,647,332</b>	<b>4,313,891</b>
Federal Sources:					
ARRA/Semi				17,334	17,334
Medicaid Reimbursement and unrestricted federal funds	41,906		41,906	76,222	34,316
	41,906	0	41,906	93,556	51,650
<b>Total Revenues</b>	<b>41,750,877</b>	<b>0</b>	<b>41,750,877</b>	<b>46,382,229</b>	<b>4,631,352</b>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

**EXPENDITURES:**

**Current Expense:**

**Regular Programs - Instruction:**

**Salaries of Teachers:**

Kindergarten	586,639	(58,100)	528,539	528,351	188
Grades 1-5	3,691,866	317,555	4,009,421	4,000,734	8,687
Grades 6-8	3,432,427	(123,200)	3,309,227	3,299,318	9,909
Grades 9-12	5,593,692	(109,560)	5,484,132	5,483,967	165

**Regular Programs - Home Instruction:**

Salaries of Teachers	65,000	54,000	119,000	117,307	1,693
Purchased Professional-Educational Services	102,000	(34,000)	68,000	45,867	22,133

**Regular Programs - Undistributed Instruction:**

Purchased Professional-Educational Services	24,200	16,858	41,058	38,791	2,267
Purchased Technical Services	18,500	18,387	36,887	9,433	27,454
Other Purchased Services	16,060	9,774	25,834	22,560	3,274
General Supplies	1,711,751	(277,073)	1,434,678	768,004	666,674
Textbooks	94,300	149,130	243,430	211,854	31,576
Other Objects	10,600	620	11,220	6,752	4,468

<b>Total Regular Programs</b>	<u>15,347,035</u>	<u>(35,609)</u>	<u>15,311,426</u>	<u>14,532,938</u>	<u>778,488</u>
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**Special Education - Instruction:**

**Learning and/or Language Disabilities**

Salaries of Teachers	210,892	138,100	348,992	348,972	20
Other Salaries for Instruction	25,598	118,347	143,945	139,806	4,139
General Supplies	2,000	4,601	6,601	2,571	4,030
Textbooks		500	500	100	400

<b>Total Learning and/or Language Disabilities</b>	<u>238,490</u>	<u>261,548</u>	<u>500,038</u>	<u>491,449</u>	<u>8,589</u>
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**Behavioral Disabilities**

Salaries of Teachers	444,669	(50,800)	393,869	393,777	92
Other Salaries for Instruction	141,592	(10,000)	131,592	130,869	723
Purchased Professional-Educational Services	3,700	(2,610)	1,090	1,090	0
General Supplies	2,700	150	2,850	2,407	443
Other Objects		1,150	1,150	0	1,150

<b>Total Behavioral Disabilities</b>	<u>592,661</u>	<u>(62,110)</u>	<u>530,551</u>	<u>528,143</u>	<u>2,408</u>
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**Multiple Disabilities**

Salaries of Teachers	387,690	(39,500)	348,190	348,066	124
Other Salaries for Instruction	217,130	15,000	232,130	230,091	2,039
Purchased Professional Educational Services	150	0	150	0	150
General Supplies	19,100	8,642	27,742	24,153	3,589
Textbooks	3,200	(600)	2,600	1,968	632
Other Objects	1,000	0	1,000	0	1,000

<b>Total Multiple Disabilities</b>	<u>628,270</u>	<u>(16,458)</u>	<u>611,812</u>	<u>604,278</u>	<u>7,534</u>
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**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

Resource Room/Resource Center					
Salaries of Teachers	1,054,052	(62,555)	991,497	946,704	44,793
Other Salaries for Instruction	72,026	1,000	73,026	72,882	144
Purchased Professional Educational Services		963	963	963	0
General Supplies	10,100	(850)	9,250	7,447	1,803
Textbooks	1,000	0	1,000	498	502
<b>Total Resource Room/Resource Center</b>	<b>1,137,178</b>	<b>(61,442)</b>	<b>1,075,736</b>	<b>1,028,494</b>	<b>47,242</b>
Autism					
Salaries of Teachers	110,555	(110,555)	0	0	0
Other Salaries for Instruction	118,347	(118,347)	0	0	0
General Supplies	6,700	(6,700)	0	0	0
Textbooks	500	(500)	0	0	0
<b>Total Autism</b>	<b>236,102</b>	<b>(236,102)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Preschool Disabilities - Part-Time					
Salaries of Teachers	54,717	89,600	144,317	121,731	22,586
Other Salaries for Instruction	40,075	18,400	58,475	58,469	6
General Supplies	2,200	0	2,200	811	1,389
<b>Total Preschool Disabilities - Part-Time</b>	<b>96,992</b>	<b>108,000</b>	<b>204,992</b>	<b>181,011</b>	<b>23,981</b>
<b>Total Special Education - Instruction</b>	<b>2,929,693</b>	<b>(6,564)</b>	<b>2,923,129</b>	<b>2,833,375</b>	<b>89,754</b>
Bilingual Education - Instruction:					
Salaries of Teachers	527,473	(51,600)	475,873	457,918	17,955
Other Salaries for Instruction	23,230	4,300	27,530	25,710	1,820
Purchased Professional Educational Services		5,880	5,880	5,768	112
General Supplies	5,600	4,350	9,950	9,279	671
<b>Total Bilingual Education - Instruction</b>	<b>556,303</b>	<b>(37,070)</b>	<b>519,233</b>	<b>498,675</b>	<b>20,558</b>
School Sponsored Cocurricular Activities - Instruction:					
Salaries	189,000	57,143	246,143	227,158	18,985
Purchased Services	3,700	1,205	4,905	4,130	775
Supplies and Materials	19,000	43,134	62,134	23,253	38,881
Other Objects	6,000	300	6,300	3,587	2,713
<b>Total School Sponsored Cocurricular Activities - Instruction</b>	<b>217,700</b>	<b>101,782</b>	<b>319,482</b>	<b>258,128</b>	<b>61,354</b>
School-Sponsored Athletics - Instruction					
Salaries	246,000	37,100	283,100	282,227	873
Purchased Services	32,400	102,020	134,420	133,157	1,263
Supplies and Materials	80,600	(2,945)	77,655	59,687	17,968
Other Objects	3,600	1,500	5,100	4,307	793
Transfers to Cover Deficit (Agency Funds)	75,000	0	75,000	75,000	0
<b>Total School-Sponsored Athletics - Instruction</b>	<b>437,600</b>	<b>137,675</b>	<b>575,275</b>	<b>554,378</b>	<b>20,897</b>
<b>Total Instruction</b>	<b>19,488,331</b>	<b>160,214</b>	<b>19,648,545</b>	<b>18,677,494</b>	<b>971,051</b>

(continued)

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	44,000	(33,000)	11,000	10,144	856
Tuition to Other LEAs Within the State - Special	14,000	20,295	34,295	34,101	194
Tuition to Co. Voc. School District - Regular	160,517	(7,835)	152,682	152,682	0
Tuition to Co. Voc. School District - Special		46,750	46,750	46,750	0
Tuition to CSSD & Regional Day Schools	501,663	(37,567)	464,096	460,332	3,764
Tuition to Private Schools for the Disabled - Within State	620,618	48,357	668,975	640,437	28,538
Tuition - State Facilities	31,199	0	31,199	31,199	0
	<u>1,371,997</u>	<u>37,000</u>	<u>1,408,997</u>	<u>1,375,645</u>	<u>33,352</u>
Total Undistributed Expenditures - Instruction					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	83,978	4,000	87,978	84,690	3,288
Purchased Professional & Technical Services	32,000	270	32,270	32,210	60
Supplies and Materials	2,775	1,198	3,973	2,378	1,595
	<u>118,753</u>	<u>5,468</u>	<u>124,221</u>	<u>119,278</u>	<u>4,943</u>
Total Undistributed Expenditures - Attendance and Social Work					
Undistributed Expenditures - Health Services:					
Salaries	225,167	33,200	258,367	258,337	30
Purchased Professional and Technical Services	35,000	4,580	39,580	37,357	2,223
Other Purchased Services	1,000	10,270	11,270	10,826	444
Supplies and Materials	14,300	21,127	35,427	32,444	2,983
	<u>275,467</u>	<u>69,177</u>	<u>344,644</u>	<u>338,964</u>	<u>5,680</u>
Total Undistributed Expenditures - Health Services					
Undistributed Expenditures - Other Support Services -					
Students - Related Services:					
Salaries	206,937	(46,000)	160,937	157,515	3,422
Purchased Professional-Educational Services	85,000	5,800	90,800	74,662	16,138
Supplies and Materials	2,190	300	2,490	960	1,530
	<u>294,127</u>	<u>(39,900)</u>	<u>254,227</u>	<u>233,137</u>	<u>21,090</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Related Services					
Undistributed Expenditures - Other Support Services -					
Students - Extraordinary Services:					
Salaries	729,924	(82,300)	647,624	634,703	12,921
Purchased Professional Educational Services	280,400	19,821	300,221	285,351	14,870
Supplies and Materials	8,800	2,265	11,065	8,704	2,361
Other Objects		1,689	1,689	1,689	0
	<u>1,019,124</u>	<u>(58,525)</u>	<u>960,599</u>	<u>930,447</u>	<u>30,152</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Extraordinary Services:					

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

Undistributed Expenditures - Other Support Services -					
Students - Regular					
Salaries of Other Professional Staff	827,435	(42,500)	784,935	784,639	296
Salaries of Secretarial and Clerical Assistants	153,705	0	153,705	151,164	2,541
Purchased Professional Educational Services	880	0	880	545	335
Other Purchased Professional & Technical Services	3,744	0	3,744	2,009	1,735
Other Purchased Services	4,800	1,000	5,800	4,688	1,112
Supplies and Materials	28,750	(3,225)	25,525	10,135	15,390
Other Objects	30	655	685	685	0
	<u>1,019,344</u>	<u>(44,070)</u>	<u>975,274</u>	<u>953,865</u>	<u>21,409</u>
Total Undistributed Expenditures - Other Support Services -					
Regular					
	<u>1,019,344</u>	<u>(44,070)</u>	<u>975,274</u>	<u>953,865</u>	<u>21,409</u>
Undistributed Expenditures - Other Support Services -					
Students - Special:					
Salaries of Other Professional Staff	979,397	19,100	998,497	998,397	100
Salaries of Secretarial and Clerical Assistants	92,920	0	92,920	90,863	2,057
Purchased Professional Educational Services	61,630	139	61,769	57,158	4,611
Other Purchased Professional and Technical Services	41,000	9,712	50,712	35,960	14,752
Miscellaneous Purchased Services	3,500	2,367	5,867	4,229	1,638
Supplies and Materials	21,078	(2,388)	18,690	14,484	4,206
Other Objects	875	0	875	150	725
	<u>1,200,400</u>	<u>28,930</u>	<u>1,229,330</u>	<u>1,201,241</u>	<u>28,089</u>
Total Undistributed Expenditures - Other Support Services -					
Students - Special					
	<u>1,200,400</u>	<u>28,930</u>	<u>1,229,330</u>	<u>1,201,241</u>	<u>28,089</u>
Undistributed Expenditures - Other Support Services -					
Improvement of Instructional Services					
Other Salaries		54,200	54,200	54,200	0
Purchased Professional Educational Services	4,540	15,530	20,070	17,370	2,700
Purchased Professional and Technical Services	2,136	1,390	3,526	3,526	0
Supplies and Materials	400	0	400	0	400
	<u>7,076</u>	<u>71,120</u>	<u>78,196</u>	<u>75,096</u>	<u>3,100</u>
Total Undistributed Expenditures - Other Support Services -					
Improvement of Instructional Services					
	<u>7,076</u>	<u>71,120</u>	<u>78,196</u>	<u>75,096</u>	<u>3,100</u>
Undistributed Expenditures - Educational Media Services -					
School Library					
Salaries	162,890	(30,000)	132,890	132,775	115
Purchased Professional and Technical Services	23,148	(4,910)	18,238	15,785	2,453
Other Purchased Services	12,735	(3,932)	8,803	8,765	38
Supplies and Materials	32,944	17,375	50,319	42,611	7,708
Other Objects	15,621	1,275	16,896	14,775	2,121
	<u>247,338</u>	<u>(20,192)</u>	<u>227,146</u>	<u>214,711</u>	<u>12,435</u>
Total Undistributed Expenditures - Educational Media Services -					
School Library					
	<u>247,338</u>	<u>(20,192)</u>	<u>227,146</u>	<u>214,711</u>	<u>12,435</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**

**Budgetary Comparison Schedule**

**General Fund**

**For the Fiscal Year Ended June 30, 2015**

<b>Undistributed Expenditures - Instructional Staff Training Services</b>					
Salaries of Supervisors of Instruction	640,529	38,270	678,799	678,791	8
Salaries of Secretarial and Clerical Assistants	48,480	2,000	50,480	50,062	418
Other Salaries	8,100	(420)	7,680	2,880	4,800
Purchased Professional-Educational Services	6,750	1,300	8,050	850	7,200
Purchased Professional and Technical Services	1,300	700	2,000	1,960	40
Other Purchased Services	39,116	(6,498)	32,618	17,313	15,305
Supplies and Materials	3,200	750	3,950	2,535	1,415
Other Objects	1,665	601	2,266	2,020	246
<b>Total Undistributed Expenditures - Instructional Staff Training Svcs</b>	<b>749,140</b>	<b>36,703</b>	<b>785,843</b>	<b>756,411</b>	<b>29,432</b>
<b>Undistributed Expenditures - Support Services - Gen. Admin.:</b>					
Salaries	278,683	(4,000)	274,683	274,302	381
Legal Services	112,000	29,000	141,000	140,876	124
Audit Fees	20,000	(2,350)	17,650	17,540	110
Architectural/Engineering Services	16,000	36,800	52,800	50,938	1,862
Other Purchased Professional	8,000	(8,000)		0	0
Communications/Telephone	126,736	(454)	126,282	123,686	2,596
BOE Other Purchased Professional Services		1,400	1,400	1,200	200
Other Purchased Services	133,385	(2,500)	130,885	130,563	322
General Supplies	5,175	3,750	8,925	8,893	32
BOE IN-House Training/Meeting Supplies	325	0	325	240	85
Miscellaneous Expenditures	6,000	0	6,000	4,251	1,749
Membership Dues and Fees	21,500	(1,800)	19,700	19,201	499
<b>Total Undistributed Expenditures - Support Services - Gen. Admin.</b>	<b>727,804</b>	<b>51,846</b>	<b>779,650</b>	<b>771,690</b>	<b>7,960</b>
<b>Undistributed Expenditures - Support Serv. - School Admin.:</b>					
Salaries of Principals/Assistant Principals	1,052,848	(45,500)	1,007,348	978,639	28,709
Salaries of Secretarial and Clerical Assistants	556,627	3,000	559,627	557,036	2,591
Purchased Professional and Technical Services	1,200	300	1,500	840	660
Other Purchased Services	135,450	(51,402)	84,048	75,151	8,897
Supplies and Materials	72,868	9,144	82,012	65,703	16,309
Other Objects	14,200	(330)	13,870	8,857	5,013
<b>Total Undistributed Expenditures - Support Serv. - School Admin.</b>	<b>1,833,193</b>	<b>(84,788)</b>	<b>1,748,405</b>	<b>1,686,226</b>	<b>62,179</b>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	368,808	(39,550)	329,258	326,538	2,720
Purchased Professional Services	22,000	3,500	25,500	25,465	35
Purchased Technical Services	32,000	1,000	33,000	26,460	6,540
Misc. Purchased Services (400-500 series)	13,300	50	13,350	10,530	2,820
Supplies and Materials	45,800	4,650	50,450	10,553	39,897
Interest on Lease Purchased Agreements	800	0	800	0	800
Miscellaneous Expenditures	3,500	0	3,500	2,933	567
<b>Total Undistributed Expenditures - Central Services</b>	<b>486,208</b>	<b>(30,350)</b>	<b>455,858</b>	<b>402,479</b>	<b>53,379</b>
<b>Undistributed Expenditures - Admin. Info Technology</b>					
Salaries	238,825	0	238,825	237,943	882
Purchased Technical Services	60,000	1,652	61,652	45,386	16,266
Other Purchased Services (400-500 series)	15,000	3,000	18,000	16,865	1,135
Supplies and Materials	114,000	4,978	118,978	23,097	95,881
<b>Total Undistributed Expenditures - Admin. Info Technology</b>	<b>427,825</b>	<b>9,630</b>	<b>437,455</b>	<b>323,291</b>	<b>114,164</b>

(continued)

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

Undistributed Expenditures - Required Maint for School Facilities					
Interest Earned on Maintenance Reserve		0			0
Salaries	270,283	(6,000)	264,283	257,278	7,005
Cleaning, Repair, and Maintenance Services	141,050	284,125	425,175	339,222	85,953
General Supplies	58,720	10,360	69,080	39,003	30,077
Other Objects	100	740	840	375	465
	<u>470,153</u>	<u>289,225</u>	<u>759,378</u>	<u>635,878</u>	<u>123,500</u>
Total Undistributed Expenditures - Required Maint for School Facilities					
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	668,172	9,500	677,672	648,501	29,171
Salaries of Non-Instructional Aides	177,406	37,000	214,406	211,262	3,144
Cleaning, Repair, and Maintenance Services	59,950	7,400	67,350	53,093	14,257
Other Purchased Property Services	67,700	(600)	67,100	53,057	14,043
Insurance	159,344	9,491	168,835	168,835	0
Miscellaneous Purchased Services	12,500	(6,000)	6,500	5,743	757
General Supplies	181,300	22,000	203,300	187,136	16,164
Energy (Natural Gas)	243,600	33,400	277,000	231,235	45,765
Energy (Electricity)	832,600	88,500	921,100	850,518	70,582
Other Objects	610	0	610	0	610
	<u>2,403,182</u>	<u>200,691</u>	<u>2,603,873</u>	<u>2,409,380</u>	<u>194,493</u>
Total Undistributed Expenditures - Operation and Maintenance of Plant Services					
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	211,811	13,500	225,311	222,333	2,978
Purchased Professional & Technical Services	3,500	(2,230)	1,270	0	1,270
Cleaning, Repair, and Maintenance Services	153,000	(141,345)	11,655	11,086	569
General Supplies	59,000	12,155	71,155	66,751	4,404
Other Objects	3,350	3,400	6,750	4,125	2,625
	<u>430,661</u>	<u>(114,520)</u>	<u>316,141</u>	<u>304,295</u>	<u>11,846</u>
Total Undistributed Expenditures - Care and Upkeep of Grounds					
Undistributed Expenditures - Security					
Purchased Professional & Technical Services	167,700	30,029	197,729	196,639	1,090
Cleaning, Repair, & Maintenance Services	4,500	2,100	6,600	3,072	3,528
General Supplies	13,400	22,813	36,213	27,752	8,461
	<u>185,600</u>	<u>54,942</u>	<u>240,542</u>	<u>227,463</u>	<u>13,079</u>
Total Undistributed Expenditures - Security					
Total Operation & Maintenance Services					
	<u>3,489,596</u>	<u>430,338</u>	<u>3,919,934</u>	<u>3,577,016</u>	<u>342,918</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**

**Budgetary Comparison Schedule**

**General Fund**

**For the Fiscal Year Ended June 30, 2015**

<b>Undistributed Expenditures - Student Transportation Services:</b>					
Salaries of Non-Instructional Aides	199,465	44,700	244,165	244,059	106
Sal for Pupil Transp (Between Home and School)-Reg.	641,294	29,400	670,694	667,483	3,211
Sal for Pupil Transp (Between Home and School)-Sp Ed	185,761	(25,400)	160,361	156,606	3,755
Sal for Pupil Transp (Other than Between Home & School)	40,000	2,100	42,100	41,961	139
Other Purchased Professional and Technical Services	700	1,000	1,700	1,000	700
Cleaning, Repair, and Maintenance Services	25,000	35,000	60,000	55,637	4,363
Lease Purchase Payments - School Buses	33,000	0	33,000	32,856	144
Contracted Services - (Other than Betw Home/Sch) - Vendors	28,605	22,800	51,405	50,663	742
Contracted Services - (Between Home and School) - Joint Agr	39,070	(30,000)	9,070	6,328	2,742
Contracted Services - (Special Education) - Vendors	2,325	0	2,325	0	2,325
Contracted Services - (Special Education) - Joint Agr	48,140	28,060	76,200	73,374	2,826
Contracted Services - Aid in Lieu of Payments-Non Pub Sch	28,800	0	28,800	27,404	1,396
Contracted Services - Aid in Lieu of Payments-Charter	1,768	0	1,768	0	1,768
Miscellaneous Purchased Services	109,300	(1,977)	107,323	106,940	383
Transportation Supplies	395,635	(143,460)	252,175	250,513	1,662
Other Objects	2,000	0	2,000	410	1,590
<b>Total Undistributed Expenditures - Student Transportation Serv.</b>	<b>1,780,863</b>	<b>(37,777)</b>	<b>1,743,086</b>	<b>1,715,234</b>	<b>27,852</b>
<b>Interest Earned on Current Expense Emergency Reserves</b>		<b>0</b>			<b>0</b>
<b>Unallocated Benefits:</b>					
Social Security Contributions	540,000	0	540,000	532,065	7,935
Other Retirement Contributions - Regular	631,000	(7,700)	623,300	621,342	1,958
Unemployment Compensation	2,000	0	2,000	1,135	865
Workmen's Compensation	500,000	(7,414)	492,586	490,144	2,442
Health Benefits	6,375,367	(981,043)	5,394,324	4,668,295	726,029
Tuition Reimbursement	72,300	0	72,300	41,579	30,721
Other Employee Benefits	312,900	157,125	470,025	446,926	23,099
<b>Total Unallocated Benefits</b>	<b>8,433,567</b>	<b>(839,032)</b>	<b>7,594,535</b>	<b>6,801,486</b>	<b>793,049</b>
On-Behalf TPAF Non-Contributory Insurance				1,051,702	(1,051,702)
On-Behalf TPAF Pension Contributions-Post Retirement					
Medical Contributions (non-budgeted)				1,669,577	(1,669,577)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,483,348	(1,483,348)
<b>Total On-behalf Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,204,627</b>	<b>(4,204,627)</b>
<b>Total Undistributed Expenditures</b>	<b>23,481,822</b>	<b>(414,422)</b>	<b>23,067,400</b>	<b>25,680,844</b>	<b>(2,613,444)</b>
<b>Total Current Expense</b>	<b>42,970,153</b>	<b>(254,208)</b>	<b>42,715,945</b>	<b>44,358,338</b>	<b>(1,642,393)</b>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

<b>Capital Outlay:</b>					
Interest Deposit to Capital Reserve	3,800	(3,800)			0
Equipment					
Grades 1-5		22,000	22,000	22,000	0
Grades 6-8		22,000	22,000	22,000	0
Grades 9-12		35,444	35,444	31,633	3,811
School sponsored and other instructional programs		19,400	19,400	19,379	21
Undistributed Expenditures:					
Instruction	16,600	(9,901)	6,699	0	6,699
Support Services - student regular		7,087	7,087	7,060	27
General Administration		27,554	27,554	27,554	0
Admin. Information Technology		47,250	47,250	47,250	0
Undistr. Expenditures - Care and Upkeep of Grounds		29,795	29,795	14,695	15,100
Undistr. Expenditures - Security		5,681	5,681	5,681	0
Undistr. Expenditures - School Buses - Regular		179,000	179,000	178,916	84
Undistr. Expenditures - School Buses - Special		56,900	56,900	56,857	43
		<hr/>	<hr/>	<hr/>	<hr/>
Total Equipment	16,600	442,210	458,810	433,025	25,785
		<hr/>	<hr/>	<hr/>	<hr/>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		15,000	15,000	12,516	2,484
Assessment for Debt Service on SDA Funding	163,157	0	163,157	163,157	0
		<hr/>	<hr/>	<hr/>	<hr/>
Total Facilities Acquisition and Construction Services	163,157	15,000	178,157	175,673	2,484
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Capital Outlay</b>	<b>183,557</b>	<b>453,410</b>	<b>636,967</b>	<b>608,698</b>	<b>28,269</b>
		<hr/>	<hr/>	<hr/>	<hr/>
Transfers to Charter Schools	15,662	0	15,662	0	15,662
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Expenditures</b>	<b>43,169,372</b>	<b>199,202</b>	<b>43,368,574</b>	<b>44,967,036</b>	<b>(1,598,462)</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources (Uses):</b>					
Capital reserve transfer to debt service	(417,967)	0	(417,967)	(417,967)	0
Capital reserve transfer to capital projects		(750,000)	(750,000)	(750,000)	0
Prior year adjustment				1,763	1,763
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>(417,967)</b>	<b>(750,000)</b>	<b>(1,167,967)</b>	<b>(1,166,204)</b>	<b>1,763</b>
		<hr/>	<hr/>	<hr/>	<hr/>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2015**

<b>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	(1,836,462)	(949,202)	(2,785,664)	248,989	3,034,653
 Fund Balances, July 1	<u>9,046,211</u>	<u>                    </u>	<u>9,046,211</u>	<u>9,046,211</u>	<u>0</u>
Fund Balances, June 30	<u><u>\$7,209,749</u></u>	<u><u>(949,202)</u></u>	<u><u>6,260,547</u></u>	<u><u>9,295,200</u></u>	<u><u>3,034,653</u></u>

**Recapitulation of Fund Balance:**

Committed Fund Balance:	
Year End Encumbrances	85,195
Restricted Fund Balance:	
Tuition Reserve	1,600,000
Maintenance Reserve	1,908,839
Emergency Reserve	316,618
Capital Reserve	4,126,111
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	300,000
Unassigned Fund Balance	<u>958,437</u>
	9,295,200
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis:	<u>(1,419,186)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$7,876,014</u></u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Programs		54,250	54,250	44,891	(9,359)
<b>Total - Local Sources</b>	<b>0</b>	<b>54,250</b>	<b>54,250</b>	<b>44,891</b>	<b>(9,359)</b>
State Sources:					
Preschool Education Aid	555,216	0	555,216	455,523	(99,693)
Nonpublic aid	373,880	41,867	415,747	332,228	(83,519)
<b>Total - State Sources</b>	<b>929,096</b>	<b>41,867</b>	<b>970,963</b>	<b>787,751</b>	<b>(183,212)</b>
Federal Sources:					
Title I	793,332	239,869	1,033,201	976,004	(57,197)
I.D.E.A., Part B	483,684	378,120	861,804	851,811	(9,993)
Vocational Education	28,829	7,937	36,766	36,766	0
Other	94,672	182,772	277,444	270,194	(7,250)
<b>Total - Federal Sources</b>	<b>1,400,517</b>	<b>808,698</b>	<b>2,209,215</b>	<b>2,134,775</b>	<b>(74,440)</b>
<b>Total Revenues</b>	<b>2,329,613</b>	<b>904,815</b>	<b>3,234,428</b>	<b>2,967,417</b>	<b>(267,011)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	1,064,388	(49,484)	1,014,904	974,263	40,641
Other Salaries for Instruction	271,689	11,175	282,864	254,964	27,900
Purchased Professional, Technical and Educational Services	781,366	331,230	1,112,596	1,061,968	50,628
Other Purchased Services		4,673	4,673	4,673	0
General Supplies	41,943	142,754	184,697	178,688	6,009
Textbooks	25,993	11,304	37,297	21,953	15,344
Other Objects		1,294	1,294	1,294	0
<b>Total instruction</b>	<b>2,185,379</b>	<b>452,946</b>	<b>2,638,325</b>	<b>2,497,803</b>	<b>140,522</b>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Under/(Over) Final to Actual</u>
<b>EXPENDITURES (CONT'D):</b>					
Support Services					
Salaries of Other Professional Staff		51,559	51,559	42,834	8,725
Personal Services - Employee Benefits	99,643	169,186	268,829	208,602	60,227
Purchased Professional and Technical Services	44,591	124,159	168,750	142,031	26,719
Other Purchased Services		63,278	63,278	43,781	19,497
Travel		0	0	0	0
Supplies and Materials		12,138	12,138	9,810	2,328
Other Objects		12,104	12,104	7,111	4,993
<b>Total support services</b>	<u>144,234</u>	<u>432,424</u>	<u>576,658</u>	<u>454,169</u>	<u>122,489</u>
Facilities acquisition and construction services					
Instructional equipment		15,445	15,445	15,445	0
Non-Instructional equipment		4,000	4,000	0	4,000
<b>Total facilities acquisition and construction services</b>	<u>0</u>	<u>19,445</u>	<u>19,445</u>	<u>15,445</u>	<u>4,000</u>
<b>Total expenditures</b>	<u>2,329,613</u>	<u>904,815</u>	<u>3,234,428</u>	<u>2,967,417</u>	<u>267,011</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Notes to the Required Supplemental  
Information - Part II**

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2015**

**Note A - Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

	General Fund	Special Revenue
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$46,382,229	2,967,417
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
Prior year		
Current year		(638)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,408,477	44,734
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,419,186)	(48,658)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	46,371,520	2,962,855
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	44,967,036	2,967,417
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Prior year		
Current year		(638)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$44,967,036	2,966,779

**Required Supplemental Information - Part III**

TOWN OF HAMMONTON SCHOOL DISTRICT

Schedules of Required Supplementary Information

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY

Public Employee's Retirement System

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.06949%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 13,011,915
District's Covered-Employee Payroll	\$ 4,156,086
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	313.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

TOWN OF HAMMONTON SCHOOL DISTRICT

Schedules of Required Supplementary Information Part III

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Public Employee's Retirement System (PERS)

	<u>2014</u>
Contractually Required Contribution	\$ 572,931
Contributions in Relation to the Contractually Required Contribution	<u>(572,931)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
 District's Covered-Employee Payroll	 \$ 4,156,086
Contributions as a Percentage of Covered-Employee Payroll	13.79%

TOWN OF HAMMONTON SCHOOL DISTRICT

Schedules of Required Supplementary Information

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY

Teachers Pension Plan

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.1969871328%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 207,394
District's Covered-Employee Payroll	\$ 20,056,657
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	1.034%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**Notes to the Required Supplemental  
Information - Part III**

**TOWN OF HAMMONTON SCHOOL DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III**  
**PENSION SCHEDULES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Teachers' Pension and Annuity Fund (TPAF)**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

*Change of assumptions.* Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**Public Employees' Retirement System (PERS)**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

*Change of assumptions.* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

## **SPECIAL REVENUE FUND**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF HAMMONTON SCHOOL DISTRICT

Special Revenue Fund  
Combining Schedule of Program Revenue and Expenditures  
Budgetary Basis  
FOR THE FISCAL YEAR ENDED June 30, 2015

	HEF FY14 ECEC Teacher of the Year Grant	HEF FY14 WES Teacher of the Year Grant	HEF FY14 MS Teacher of the Year Grant	HEF FY14 HS Teacher of the Year Grant	HEF FY15 ECEC Teacher of the Year Grant	HEF FY15 WES Teacher of the Year Grant	HEF FY15 MS Teacher of the Year Grant	HEF iPads ECEC	HEF iPads ECEC
<b>REVENUES:</b>									
Local Sources	\$499	485	500	500	500	500	469	4,677	4,677
State Sources									
Federal Sources									
<b>Total revenues</b>	<u>499</u>	<u>485</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>469</u>	<u>4,677</u>	<u>4,677</u>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of teachers									
Other salaries of instruction									
Purchased professional, technical and educational svcs									
Other purchased services									
General supplies	499	485	500	500	500	500	469	4,677	4,677
Textbooks									
Other objects									
<b>Total instruction</b>	<u>499</u>	<u>485</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>469</u>	<u>4,677</u>	<u>4,677</u>
Support services:									
Salaries of other professional staff									
Personal services- employee benefits									
Purchased professional and technical services									
Other purchased services									
Travel									
Supplies and materials									
Other objects									
<b>Total support services</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Facilities acquisition and construction services</b>									
Instructional equipment									
<b>Total facilities acquisition and construction services</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total expenditures</b>	<u>\$499</u>	<u>485</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>469</u>	<u>4,677</u>	<u>4,677</u>

TOWN OF HAMMONTON SCHOOL DISTRICT

Special Revenue Fund  
Combining Schedule of Program Revenue and Expenditures  
Budgetary Basis  
FOR THE FISCAL YEAR ENDED June 30, 2015

	HEF Café Lighting WES	HEF White Boards Middle School	HEF Welcome to MS Middle School	HEF Response System Middle School	HEF Brightlinks High School	HEF Race Track High School	HEF Music Dept High School	Home & School Instructional Supply WES	Home & School Instructional Supply Middle School
<b>REVENUES:</b>									
Local Sources	3,556	1,499	1,680	2,145	4,485	2,907	3,878	1,000	1,000
State Sources									
Federal Sources									
<b>Total revenues</b>	<b>3,556</b>	<b>1,499</b>	<b>1,680</b>	<b>2,145</b>	<b>4,485</b>	<b>2,907</b>	<b>3,878</b>	<b>1,000</b>	<b>1,000</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of teachers									
Other salaries of instruction									
Purchased professional, technical and educational svcs									1,000
Other purchased services									
General supplies	600	1,499	1,680	2,145	4,485			1,000	
Textbooks									
Other objects									
<b>Total instruction</b>	<b>600</b>	<b>1,499</b>	<b>1,680</b>	<b>2,145</b>	<b>4,485</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>
Support services:									
Salaries of other professional staff									
Personal services- employee benefits									
Purchased professional and technical services	2,956								
Other purchased services									
Travel									
Supplies and materials									
Other objects									
<b>Total support services</b>	<b>2,956</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Facilities acquisition and construction services</b>									
Instructional equipment						2,907	3,878		
<b>Total facilities acquisition and construction services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,907</b>	<b>3,878</b>	<b>0</b>	<b>0</b>
<b>Total expenditures</b>	<b>3,556</b>	<b>1,499</b>	<b>1,680</b>	<b>2,145</b>	<b>4,485</b>	<b>2,907</b>	<b>3,878</b>	<b>1,000</b>	<b>1,000</b>

TOWN OF HAMMONTON SCHOOL DISTRICT

Special Revenue Fund  
Combining Schedule of Program Revenue and Expenditures  
Budgetary Basis  
FOR THE FISCAL YEAR ENDED June 30, 2015

REVENUES:	Home & School	HEF	Walmart	Brain	Total	Nonpublic	Nonpublic Auxiliary Aid	
	Non-Instructional Supply High School	Library WES	Green Grant	Alliance Grant	Local Funds		Textbooks	Compensatory Education
Local Sources	15	2,408	6,789	722	44,891			
State Sources						21,953	116,364	
Federal Sources								
<b>Total revenues</b>	<b>15</b>	<b>2,408</b>	<b>6,789</b>	<b>722</b>	<b>44,891</b>	<b>21,953</b>	<b>116,364</b>	<b>0</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of teachers								
Other salaries of instruction								
Purchased professional, technical and educational svcs					1,000		116,364	
Other purchased services								
General supplies					24,216			
Textbooks						21,953		
Other objects								
<b>Total instruction</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,216</b>	<b>21,953</b>	<b>116,364</b>	<b>0</b>
Support services:								
Salaries of other professional staff								
Personal services- employee benefits								
Purchased professional and technical services					2,956			
Other purchased services				533	533			
Travel								
Supplies and materials	15	2,408	6,789	189	9,401			
Other objects								
<b>Total support services</b>	<b>15</b>	<b>2,408</b>	<b>6,789</b>	<b>722</b>	<b>12,890</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Facilities acquisition and construction services</b>								
Instructional equipment					6,785			
<b>Total facilities acquisition and construction services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,785</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total expenditures</b>	<b>15</b>	<b>2,408</b>	<b>6,789</b>	<b>722</b>	<b>44,891</b>	<b>21,953</b>	<b>116,364</b>	<b>0</b>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenue and Expenditures**  
**Budgetary Basis**  
**FOR THE FISCAL YEAR ENDED June 30, 2015**

	Nonpublic Handicapped Aid			Nonpublic Nursing	Nonpublic Technology	Nonpublic Home Instruction	Preschool Education Aid	Total State Funds	Title I Part A	Carryover Title I Part A	Title III English Language Enhancement
	Examination & Classification	Corrective Speech	Supplemental Instruction								
<b>REVENUES:</b>											
Local Sources											
State Sources	53,496	17,582	49,279	54,125	18,311	1,118	455,523	787,751			
Federal Sources									784,645	191,359	50,376
<b>Total revenues</b>	<b>53,496</b>	<b>17,582</b>	<b>49,279</b>	<b>54,125</b>	<b>18,311</b>	<b>1,118</b>	<b>455,523</b>	<b>787,751</b>	<b>784,645</b>	<b>191,359</b>	<b>50,376</b>
<b>EXPENDITURES:</b>											
Instruction:											
Salaries of teachers							292,284	292,284	544,942	90,011	
Other salaries of instruction							91,045	91,045	85,332	32,029	46,558
Purchased professional, technical and educational svcs	53,496	17,582	49,279			1,118		237,839	5,510	398	
Other purchased services								0			
General supplies					18,311		11,759	30,070	2,533	4,114	257
Textbooks								21,953			
Other objects								0	1,294		
<b>Total instruction</b>	<b>53,496</b>	<b>17,582</b>	<b>49,279</b>	<b>0</b>	<b>18,311</b>	<b>1,118</b>	<b>395,088</b>	<b>673,191</b>	<b>639,611</b>	<b>126,552</b>	<b>46,815</b>
Support services:											
Salaries of other professional staff								0	26,859	15,975	
Personal services- employee benefits								60,435	60,435	105,289	3,561
Purchased professional and technical services				54,125				54,125			
Other purchased services								0	9,601	15,648	
Travel								0			
Supplies and materials								0	28		
Other objects									3,257	3,854	
<b>Total support services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54,125</b>	<b>0</b>	<b>0</b>	<b>60,435</b>	<b>114,560</b>	<b>145,034</b>	<b>64,807</b>	<b>3,561</b>
<b>Facilities acquisition and construction services</b>											
Instructional equipment											
<b>Total facilities acquisition and construction services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total expenditures</b>	<b>53,496</b>	<b>17,582</b>	<b>49,279</b>	<b>54,125</b>	<b>18,311</b>	<b>1,118</b>	<b>455,523</b>	<b>787,751</b>	<b>784,645</b>	<b>191,359</b>	<b>50,376</b>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenue and Expenditures**  
**Budgetary Basis**  
**FOR THE FISCAL YEAR ENDED June 30, 2015**

	Carryover Title III English Language Enhanc.	IIS Grant	I.D.E.A. Part - B Basic	Carryover I.D.E.A. Part - B Basic	I.D.E.A. Part - B Preschool	Carryover I.D.E.A. Part - B Preschool	Title II Part A	Carryover Title II Part A	Perkins Vocational	Total Federal Funds	Totals
<b>REVENUES:</b>											
Local Sources											44,891
State Sources											787,751
Federal Sources	187	145,551	811,512	16,859	22,885	555	68,491	5,589	36,766	2,134,775	2,134,775
<b>Total revenues</b>	<b>187</b>	<b>145,551</b>	<b>811,512</b>	<b>16,859</b>	<b>22,885</b>	<b>555</b>	<b>68,491</b>	<b>5,589</b>	<b>36,766</b>	<b>2,134,775</b>	<b>2,967,417</b>
<b>EXPENDITURES:</b>											
Instruction:											
Salaries of teachers		1,220					45,806			681,979	974,263
Other salaries of instruction										163,919	254,964
Purchased professional, technical and educational svcs	120	24,240	769,421		22,885	555				823,129	1,061,968
Other purchased services		4,673								4,673	4,673
General supplies	67	89,325							28,106	124,402	178,688
Textbooks										0	21,953
Other objects										1,294	1,294
<b>Total instruction</b>	<b>187</b>	<b>119,458</b>	<b>769,421</b>	<b>0</b>	<b>22,885</b>	<b>555</b>	<b>45,806</b>	<b>0</b>	<b>28,106</b>	<b>1,799,396</b>	<b>2,497,803</b>
Support services:											
Salaries of other professional staff										42,834	42,834
Personal services- employee benefits		93					9,894			148,167	208,602
Purchased professional and technical services		26,000	42,091	16,859						84,950	142,031
Other purchased services							12,791	5,208		43,248	43,781
Travel										0	0
Supplies and materials								381		409	9,810
Other objects										7,111	7,111
<b>Total support services</b>	<b>0</b>	<b>26,093</b>	<b>42,091</b>	<b>16,859</b>	<b>0</b>	<b>0</b>	<b>22,685</b>	<b>5,589</b>	<b>0</b>	<b>326,719</b>	<b>454,169</b>
<b>Facilities acquisition and construction services</b>											
Instructional equipment									8,660	8,660	15,445
<b>Total facilities acquisition and construction services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,660</b>	<b>8,660</b>	<b>15,445</b>
<b>Total expenditures</b>	<b>187</b>	<b>145,551</b>	<b>811,512</b>	<b>16,859</b>	<b>22,885</b>	<b>555</b>	<b>68,491</b>	<b>5,589</b>	<b>36,766</b>	<b>2,134,775</b>	<b>2,967,417</b>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Preschool Education Aid Schedule of Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$332,875	292,284	40,591
Other Salaries for Instruction	115,198	91,045	24,153
Instructional Supplies	12,060	11,759	301
<b>Total instruction</b>	<u>460,133</u>	<u>395,088</u>	<u>65,045</u>
<b>Support services:</b>			
Personal Services-Employee Benefits	95,083	60,435	34,648
<b>Total support services</b>	<u>95,083</u>	<u>60,435</u>	<u>34,648</u>
<b>Total expenditures</b>	<u><u>\$555,216</u></u>	<u><u>455,523</u></u>	<u><u>99,693</u></u>

**CALCULATION OF BUDGET & CARRYOVER**

Total Revised 2014-15 Preschool Education Aid Allocation	\$486,576
Add: Actual ECPA Carryover (June 30, 2014)	147,342
Add: Budgeted Transfer from the General Fund 2014-15	0
Total Preschool Education Aid Funds Available for 2014-15 Budget	<u>633,918</u>
Less: 2014-15 Budgeted Preschool Education Aid(Including prior year budgeted carryover)	<u>(555,216)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015	78,702
Add: June 30, 2015 Unexpended Preschool Education Aid	99,693
Less: 2014-2015 Commissioner-approved Transfer to the General Fund	0
2014-15 Carryover - Preschool Education Aid/Preschool	<u><u>\$178,395</u></u>
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	<u><u>\$78,702</u></u>

**CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Statement of Project Expenditures**  
**Year Ended June 30, 2015**

<u>Number</u>	<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures and Other Financing Uses to Date</u>		<u>Canceled</u>	<u>Unexpended Balance</u>
				<u>Prior Years</u>	<u>Current Year</u>		
	Middle School HVAC		\$3,544,369	1,060,007	2,272,658		211,704
	Middle School Window Replacement		688,622	507,218	0		181,404
Totals			<u>\$4,232,991</u>	<u>507,218</u>	<u>2,272,658</u>	<u>0</u>	<u>393,108</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2015**

<b>Revenues and Other Financing Sources:</b>	
Transfer from Capital Reserve	\$750,000
State School Building Aid - EDA Grant	968,126
Interest earned	<u>1,041</u>
 Total revenues and other financing sources	 <u>1,719,167</u>
 <b>Expenditures and Other Financing Uses:</b>	
Purchased professional & technical services	56,525
Construction services	<u>2,216,133</u>
 Total expenditures and other financing uses	 <u>2,272,658</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	  <u>(553,491)</u>
 Fund balance - beginning	  789,814
 Fund balance - ending	  <u><u>\$236,323</u></u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budgetary Basis**  
**Middle School HVAC**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
Transfer from Capital Reserve	\$1,289,736	751,022	2,040,758	2,040,758
State School Building Aid - EDA Grant	535,485	968,126	1,503,611	1,503,611
Interest earned	527	521	1,048	
<b>Total revenues and other financing sources</b>	<u>1,825,748</u>	<u>1,719,669</u>	<u>3,545,417</u>	<u>3,544,369</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional & technical services	191,160	56,525	247,685	247,685
Construction services	868,847	2,216,133	3,084,980	3,296,684
<b>Total expenditures and other financing uses</b>	<u>1,060,007</u>	<u>2,272,658</u>	<u>3,332,665</u>	<u>3,544,369</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>765,741</u>	<u>(552,989)</u>	<u>212,752</u>	<u>0</u>
	<u>\$765,741</u>	<u>(552,989)</u>	<u>212,752</u>	<u>0</u>

**Additional project information:**

Project number	1960-060-14-1002
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	2,692,076
Additional Authorized Cost	852,293
Revised Authorized Cost	3,544,369
Percentage Increase over Original Authorized Cost	31.66%
Percentage Completion	20%
Original target completion date	8/29/2014
Revised target completion date	8/28/2015

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budgetary Basis**  
**Middle School Window Replacement**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
Transfer from Capital Reserve	\$247,893	(1,022)	246,871	246,871
State School Building Aid - EDA Grant	283,298		283,298	441,751
Interest earned	100	520	620	
Total revenues and other financing sources	<u>531,291</u>	<u>(502)</u>	<u>530,789</u>	<u>688,622</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional & technical services	55,718		55,718	56,680
Construction services	451,500		451,500	631,942
Total expenditures and other financing uses	<u>507,218</u>	<u>-</u>	<u>507,218</u>	<u>688,622</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>24,073</u>	<u>(502)</u>	<u>23,571</u>	<u>0</u>
	<u>\$24,073</u>	<u>(502)</u>	<u>23,571</u>	<u>0</u>

**Additional project information:**

Project number	1960-060-14-1003
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	790,915
Additional Authorized Cost	(102,293)
Revised Authorized Cost	688,622
Percentage Increase over Original Authorized Cost	-12.93%
Percentage Completion	95%
Original target completion date	8/29/2014
Revised target completion date	6/30/2015

## PROPRIETARY FUNDS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services in all schools within the school district.

**Latchkey Child Care Fund** – This fund provides for the operation of school child supervision.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.**

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Schedule of Net Position**  
**June 30, 2015**

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>2015</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$534,228	101,419	635,647
<b>Restricted cash</b>	50,000		50,000
Accounts Receivable:			
State	1,549		1,549
Federal	53,559		53,559
Other	2,861	1,947	4,808
Inventories	3,162		3,162
<b>Total Current Assets</b>	<u>645,359</u>	<u>103,366</u>	<u>748,725</u>
<b>Capital Assets:</b>			
Equipment	738,450	119,467	857,917
Accumulated depreciation	(477,956)	(32,034)	(509,990)
<b>Total capital assets</b>	<u>260,494</u>	<u>87,433</u>	<u>347,927</u>
<b>Total assets</b>	<u>905,853</u>	<u>190,799</u>	<u>1,096,652</u>
 <b>LIABILITIES AND FUND EQUITY:</b>			
<b>Current liabilities:</b>			
Interfund accounts payable	65,916	9,899	75,815
Accounts payable	43,937	460	44,397
Unearned revenue	14,719	7,223	21,942
Compensated absences payable	28,002	3,484	31,486
<b>Total current liabilities</b>	<u>152,574</u>	<u>21,066</u>	<u>173,640</u>
<b>Net Position:</b>			
<b>Restricted</b>	50,000		50,000
Unrestricted	442,785	82,300	525,085
Investment in capital assets	260,494	87,433	347,927
<b>Total net position</b>	<u>753,279</u>	<u>169,733</u>	<u>923,012</u>
<b>Total liabilities and net position</b>	<u>\$905,853</u>	<u>190,799</u>	<u>1,096,652</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Schedule of Revenues, Expenses**  
**and Changes in Net Position**  
**For the Fiscal Year ended June 30, 2015**

	Food Service	Latchkey	2015
<b>OPERATING REVENUES:</b>			
Local Sources:			
Daily sales- reimbursable programs			
School lunch, breakfast, snack program	\$349,746		349,746
Daily sales non- reimbursable programs	304,346		304,346
Latchkey program revenue		117,173	117,173
Miscellaneous	1,348		1,348
Special Functions	39,834		39,834
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	695,274	117,173	812,447
<b>OPERATING EXPENSES:</b>			
Salaries	490,178	91,397	581,575
Employee benefits	213,312	7,765	221,077
Supplies & Materials	54,508	5,969	60,477
Depreciation	44,865	7,441	52,306
Cost of sales	736,433		736,433
Other	31,749		31,749
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,571,045	112,572	1,683,617
Operating income (loss)	<u>(875,771)</u>	<u>4,601</u>	<u>(871,170)</u>
Nonoperating revenues:			
State sources			
State school lunch program	16,610		16,610
Federal sources			
National school lunch program	645,105		645,105
National school breakfast program	126,315		126,315
National school snack program	547		547
Food Distribution Program	54,926		54,926
Interest revenue	1,278	191	1,469
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues	844,781	191	844,972
Net income/(loss)	(30,990)	4,792	(26,198)
Net Postion, July 1	784,269	164,941	949,210
	<hr/>	<hr/>	<hr/>
Net Postion, June 30	<u>\$753,279</u>	<u>169,733</u>	<u>923,012</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Combining Schedule of Cash Flows**  
**All Proprietary Fund Types and Similar Trust Funds**  
**For the Fiscal Year ended June 30, 2015**

	Food Service	Latchkey	2015
Cash flows from operating activities:			
Cash received from customers	\$698,660	119,573	818,233
Cash payments to employees for services	(768,861)	(95,134)	(863,995)
Cash payments to suppliers for goods and services	(762,517)	(5,969)	(768,486)
Net cash provided/(used) by operating activities	(832,718)	18,470	(814,248)
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements	793,553		793,553
Net cash provided by noncapital financing activities	793,553	0	793,553
Cash flows from capital and related financing activities:			
Purchases of capital assets	(133,269)		(133,269)
Net cash (used) by capital and related financing activities	(133,269)	0	(133,269)
Cash flows from investing activities:			
Interest on investments	1,278	191	1,469
Net cash provided by investing activities	1,278	191	1,469
Net increase (decrease) in cash and cash equivalents	(171,156)	18,661	(152,495)
Cash and cash equivalents, July 1	755,384	82,758	838,142
Cash and cash equivalents, June 30	\$584,228	101,419	685,647
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:			
Operating income/(loss)	(\$875,771)	4,601	(871,170)
Adjustments to reconcile operating income/(loss) to cash provided (used) by operating activities:			
Depreciation	44,865	7,441	52,306
Federal Commodities	54,926		54,926
Change in assets and liabilities:			
Decrease/(Increase) in accounts receivable	2,335	(1,193)	1,142
Decrease/(Increase) in inventory	5,258		5,258
(Decrease)/Increase in accounts payable	(11)	224	213
(Decrease)/Increase in interfund accounts payable	(67,100)	3,031	(64,069)
(Decrease)/Increase in unearned revenue	1,051	3,593	4,644
(Decrease)/Increase in compensated absence payable	1,729	773	2,502
Net cash provided/(used) by operating activities	(832,718)	18,470	(814,248)

## FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

**Student Activity Fund** – This agency fund is used to account for student funds held at the schools.

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the school district.

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Fiduciary Fund**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2015**

	<u>Expendable Trusts</u>		<u>Agency</u>		
	<u>Scholarship</u>	<u>Unemployment</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$51,699	280,987	303,345	20,848	656,879
<b>Total Assets</b>	<u>51,699</u>	<u>280,987</u>	<u>303,345</u>	<u>20,848</u>	<u>656,879</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts payable		18,450			18,450
Payroll deductions and withholdings				20,848	20,848
Due to student groups			303,345		303,345
<b>Total Liabilities</b>	<u>0</u>	<u>18,450</u>	<u>303,345</u>	<u>20,848</u>	<u>342,643</u>
<b>Net Position:</b>					
Reserved - Expendable Trust					
Unemployment		262,537			262,537
Scholarship	51,699				51,699
<b>Total net position</b>	<u>51,699</u>	<u>262,537</u>	<u>0</u>	<u>0</u>	<u>314,236</u>
<b>Total liabilities and net position</b>	<u>\$51,699</u>	<u>280,987</u>	<u>303,345</u>	<u>20,848</u>	<u>656,879</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Statement of Changes in Fiduciary Net Position**

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$311,349	827,460	835,464	303,345
<b>Total assets</b>	<u>311,349</u>	<u>827,460</u>	<u>835,464</u>	<u>303,345</u>
<b>LIABILITIES:</b>				
Due to student groups	311,349	827,460	835,464	303,345
<b>Total liabilities</b>	<u>\$311,349</u>	<u>827,460</u>	<u>835,464</u>	<u>303,345</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Scholarship Expendable Trust Fund**  
**Statement of Revenues, Expenditures**  
**and Changes in Net Position**  
**for the Fiscal Year ended June 30, 2015**

	<u>2015</u>
<b>OPERATING REVENUES:</b>	
Local sources:	
Interest on investments	<u>\$151</u>
Total operating revenues	<u>151</u>
<b>OPERATING EXPENSES:</b>	
Scholarship payments	<u>4,000</u>
Total operating expenses	<u>4,000</u>
Operating (loss)	<u>(3,849)</u>
Net (Loss)	<u>(3,849)</u>
Net Position, July 1	<u>55,548</u>
Net Position, June 30	<u><u>\$51,699</u></u>

**TOWN OF HAMMONTON SCHOOL DISTRICT  
Unemployment Expendable Trust Fund  
Statement of Revenues, Expenditures  
and Changes in Net Position  
for the Fiscal Year ended June 30, 2015**

	<u>2015</u>
<b>OPERATING REVENUES:</b>	
Local sources:	
Interest on investments	\$522
Contributions	<u>47,456</u>
Total operating revenues	<u>47,978</u>
<b>OPERATING EXPENSES:</b>	
Payments of unemployment claims	<u>41,786</u>
Total operating expenses	<u>41,786</u>
Operating Income	<u>6,192</u>
Net Income	<u>6,192</u>
Net Position, July 1	<u>256,345</u>
Net Position, June 30	<u><u>\$262,537</u></u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year ended June 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2015</u>
ECEC	\$23,600	22,727	21,004	25,323
Elementary School	24,130	38,642	39,777	22,995
Middle School	70,447	104,883	112,260	63,070
Middle School Athletics	819	3,904	4,147	576
High School Students	182,628	559,043	570,866	170,805
High School Athletics	9,725	98,261	87,410	20,576
Total all schools	<u>\$311,349</u>	<u>827,460</u>	<u>835,464</u>	<u>303,345</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year ended June 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$33,529	13,613,135	13,625,816	20,848
<b>Total assets</b>	<u>33,529</u>	<u>13,613,135</u>	<u>13,625,816</u>	<u>20,848</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	33,529	13,613,135	13,625,816	20,848
<b>Total liabilities</b>	<u>\$33,529</u>	<u>13,613,135</u>	<u>13,625,816</u>	<u>20,848</u>

## LONG-TERM DEBT

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**June 30, 2015**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2014	Issued	Retired	Balance June 30, 2015							
			Date	Amount												
Refunding School Bonds	9/19/06	7,385,000	8/1/15-16	25,000	3.250%	7,300,000		25,000	7,275,000							
			8/1/17	25,000	4.200%											
			8/1/18-22	30,000	4.200%											
			8/1/23-24	35,000	4.200%											
			8/1/25	540,000	4.200%											
			8/1/26	1,185,000	4.200%											
			8/1/27	1,235,000	4.200%											
			8/1/28	1,290,000	4.200%											
			8/1/29	1,345,000	4.200%											
			8/1/30	1,385,000	4.200%											
			Refunding School Bonds	3/23/10	10,890,000					8/1/15	660,000	5.000%	9,510,000		635,000	8,875,000
8/1/16	695,000	5.000%														
8/1/17	735,000	5.000%														
8/1/18	770,000	5.000%														
8/1/19	810,000	4.250%														
8/1/20	250,000	4.500%														
8/1/20	605,000	5.000%														
8/1/21	890,000	3.125%														
8/1/22	925,000	3.250%														
8/1/23	965,000	5.000%														
8/1/24	1,015,000	4.250%														
8/1/25	555,000	4.000%														
Reroofing & addition alterations to the Middle School	4/15/06	2,614,000				7/15/15	180,000	4.250%	1,584,000		170,000	1,414,000				
						7/15/16	185,000	4.250%								
			7/15/17	195,000	4.250%											
			7/15/18	200,000	4.250%											
			7/15/19	210,000	4.250%											
			7/15/20	220,000	4.300%											
			7/15/21	224,000	4.300%											
			Various Improvements to W.E.S. Elementary School	6/24/10	11,800,000	7/1/15	500,000	3.250%					10,400,000		500,000	9,900,000
7/1/16-20	550,000	3.500%														
7/1/21-23	600,000	3.750%														
7/1/24	600,000	4.000%														
7/1/25-26	650,000	4.000%														
7/1/27-28	700,000	4.000%														
7/1/29	750,000	4.125%														
7/1/30	800,000	4.125%														
<b>\$28,794,000</b>						<b>0</b>	<b>1,330,000</b>	<b>27,464,000</b>								

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Obligations under Capital Leases**  
**June 30, 2015**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding July 1, 2014</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2015</u>
Five Copiers	5.472%	84,390	\$18,770		18,770	0
Two Buses	4.150%	151,700	31,547		31,547	0
			<u>\$50,317</u>	<u>0</u>	<u>50,317</u>	<u>0</u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$1,673,376	0	1,673,376	1,673,376	0
	<u>1,673,376</u>	<u>0</u>	<u>1,673,376</u>	<u>1,673,376</u>	<u>0</u>
State Sources:					
Debt Service Aid Type II	388,868	0	388,868	388,868	0
Total - State Sources	<u>388,868</u>	<u>0</u>	<u>388,868</u>	<u>388,868</u>	<u>0</u>
<b>Total Revenues</b>	<u>2,062,244</u>	<u>0</u>	<u>2,062,244</u>	<u>2,062,244</u>	<u>0</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	1,150,211	0	1,150,211	1,150,211	0
Redemption of Principal	1,330,000	0	1,330,000	1,330,000	0
Total Regular Debt Service	<u>2,480,211</u>	<u>0</u>	<u>2,480,211</u>	<u>2,480,211</u>	<u>0</u>
<b>Total expenditures</b>	<u>2,480,211</u>	<u>0</u>	<u>2,480,211</u>	<u>2,480,211</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(417,967)	0	(417,967)	(417,967)	0
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	417,967	0	417,967	417,967	0
<b>Total other financing sources (uses)</b>	<u>417,967</u>	<u>0</u>	<u>417,967</u>	<u>417,967</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	0	0	0	0	0
Fund Balance, July 1	0	0	0	0	0
Fund Balance, June 30	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

## **Statistical Section**

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. However due to the change in the statistical requirements information was unavailable for all 10 years.

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*Unaudited*

	2006	2007	2008	2009	2010	2011	(Restated) 2012	2013	2014	2015
<b>Governmental activities</b>										
Net investment in capital assets	5,376,561	8,686,694	8,695,671	19,768,759	8,040,999	8,417,262	8,693,209	8,768,081	10,324,981	12,924,025
Restricted	1,708,420	104,355	501,350	6,098,093	7,393,396	8,283,302	8,342,783	9,465,074	8,301,948	8,202,910
Unrestricted	(5,449,789)	(5,025,182)	(3,248,442)	(4,562,794)	(4,462,950)	(4,246,702)	(4,878,582)	(5,958,393)	(4,433,909)	(17,770,393)
Total governmental activities net position	<u>1,635,192</u>	<u>3,765,867</u>	<u>5,948,579</u>	<u>21,304,058</u>	<u>10,971,445</u>	<u>12,453,862</u>	<u>12,157,410</u>	<u>12,274,762</u>	<u>14,193,020</u>	<u>3,356,542</u>
<b>Business-type activities</b>										
Net investment in capital assets	290,695	274,464	257,926	212,338	168,986	147,804	256,944	316,848	266,964	347,927
Restricted									140,000	50,000
Unrestricted	291,602	258,018	307,763	438,281	611,144	710,498	690,714	622,398	542,246	525,085
Total business-type activities net position	<u>582,297</u>	<u>532,482</u>	<u>565,689</u>	<u>650,619</u>	<u>780,130</u>	<u>858,302</u>	<u>947,658</u>	<u>939,246</u>	<u>949,210</u>	<u>923,012</u>
<b>District-wide</b>										
Net investment in capital assets	5,667,256	8,961,158	8,953,597	19,981,097	8,209,985	8,565,066	8,950,153	9,084,929	10,591,945	13,271,952
Restricted	1,708,420	104,355	501,350	6,098,093	7,393,396	8,283,302	8,342,783	9,465,074	8,441,948	8,252,910
Unrestricted	(5,158,187)	(4,767,164)	(2,940,679)	(4,124,513)	(3,851,806)	(3,536,204)	(4,187,868)	(5,335,995)	(3,891,663)	(17,245,308)
Total district net position	<u>2,217,489</u>	<u>4,298,349</u>	<u>6,514,268</u>	<u>21,954,677</u>	<u>11,751,575</u>	<u>13,312,164</u>	<u>13,105,068</u>	<u>13,214,008</u>	<u>15,142,230</u>	<u>4,279,554</u>

Source: CAFR Schedule A-1

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten Fiscal Years**  
*Unaudited*

	2006	2007	2008	2009	2010	2011	(Restated) 2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	18,343,345	17,826,984	19,897,236	20,399,302	21,833,680	21,995,805	22,343,706	23,104,424	23,211,784	23,340,075
Special education	3,465,175	3,895,199	3,515,516	3,616,097	3,685,328	3,776,332	4,146,570	4,471,670	4,118,687	4,044,510
Other instruction	1,020,856	1,032,040	1,064,603	1,237,852	1,338,591	1,126,267	1,450,845	1,579,809	1,544,098	1,742,035
<b>Support Services:</b>										
Tuition	497,036	657,085	783,618	689,630	627,344	820,226	1,349,883	1,631,360	1,809,423	1,972,518
Student & instruction related services	4,706,695	4,191,705	4,723,057	4,896,573	5,467,848	5,065,316	5,688,499	6,446,175	6,248,551	6,795,710
General administrative services	798,109	908,488	971,266	1,060,889	970,211	872,481	810,159	799,956	908,255	890,705
School administrative services	1,853,699	2,486,401	2,947,349	2,635,498	2,928,115	2,652,668	2,555,242	2,551,495	2,532,936	2,413,952
Business administrative services	1,870,688	1,159,896	1,161,158	1,294,613	1,175,899	870,618	968,567	1,016,998	1,020,546	970,690
Plant operations and maintenance	3,376,479	3,219,932	3,515,188	4,464,788	4,419,129	4,639,128	4,214,054	3,950,396	4,259,158	4,321,308
Pupil transportation	1,701,429	1,067,345	1,856,207	1,899,215	1,939,813	1,919,705	2,095,802	2,179,395	2,180,090	2,196,897
<b>Capital Outlay</b>										
Interest on long-term debt	955,730	1,439,113	1,031,095	984,436	978,539	1,303,565	1,242,891	1,200,898	1,167,844	1,132,063
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>38,589,241</b>	<b>37,884,188</b>	<b>41,466,293</b>	<b>43,178,893</b>	<b>45,364,497</b>	<b>45,042,111</b>	<b>46,866,218</b>	<b>48,932,576</b>	<b>49,001,372</b>	<b>49,820,463</b>
<b>Business-type activities:</b>										
Food service	1,016,873	1,243,655	1,154,383	1,217,002	1,263,475	1,328,841	1,401,364	1,521,362	1,597,799	1,571,045
Child Care	63,271	63,514	80,793	69,604	87,504	101,050	88,896	99,632	93,032	112,572
<b>Total business-type activities expense</b>	<b>1,080,144</b>	<b>1,307,169</b>	<b>1,235,176</b>	<b>1,286,606</b>	<b>1,350,979</b>	<b>1,429,891</b>	<b>1,490,260</b>	<b>1,620,994</b>	<b>1,690,831</b>	<b>1,683,617</b>
<b>Total district expenses</b>	<b>39,669,385</b>	<b>39,191,357</b>	<b>42,701,469</b>	<b>44,465,499</b>	<b>46,715,476</b>	<b>46,472,002</b>	<b>48,356,478</b>	<b>50,553,570</b>	<b>50,692,203</b>	<b>51,504,080</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Tuition										
Transportation fees from other LEA's								10,031,406	10,368,696	9,854,615
Operating grants and contributions	6,002,675	7,211,854	7,729,233	4,879,173	5,484,198	5,474,420	6,026,604	106,688	89,274	72,947
Capital grants and contributions								6,692,741	6,204,617	6,115,780
<b>Total governmental activities program revenues</b>	<b>6,002,675</b>	<b>7,211,854</b>	<b>7,729,233</b>	<b>4,879,173</b>	<b>5,484,198</b>	<b>5,474,420</b>	<b>6,026,604</b>	<b>16,830,835</b>	<b>16,662,587</b>	<b>16,043,342</b>
<b>Business-type activities:</b>										
<b>Charges for services</b>										
Food service	680,439	717,065	704,928	737,605	775,789	762,141	731,502	711,676	722,274	695,274
Child care	95,027	109,467	90,284	95,832	85,874	86,676	95,865	108,506	116,366	117,173
Operating grants and contributions	421,445	416,430	462,285	534,146	612,206	649,340	741,431	789,090	860,941	843,503
Capital grants and contributions										
<b>Total business type activities program revenues</b>	<b>1,196,911</b>	<b>1,242,962</b>	<b>1,257,497</b>	<b>1,367,583</b>	<b>1,473,869</b>	<b>1,498,157</b>	<b>1,568,798</b>	<b>1,609,272</b>	<b>1,699,581</b>	<b>1,655,950</b>
<b>Total district program revenues</b>	<b>7,199,586</b>	<b>8,454,816</b>	<b>8,986,729</b>	<b>6,246,756</b>	<b>6,958,067</b>	<b>6,972,577</b>	<b>7,595,402</b>	<b>18,440,107</b>	<b>18,362,168</b>	<b>17,699,292</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	(32,586,566)	(30,672,334)	(33,737,060)	(38,299,720)	(39,880,299)	(39,567,691)	(40,839,614)	(32,101,741)	(32,338,785)	(33,777,121)
Business-type activities	116,767	(64,207)	22,321	80,977	122,890	68,266	78,538	(11,722)	8,750	(27,667)
<b>Total district-wide net expense</b>	<b>(32,469,799)</b>	<b>(30,736,541)</b>	<b>(33,714,740)</b>	<b>(38,218,743)</b>	<b>(39,757,409)</b>	<b>(39,499,425)</b>	<b>(40,761,076)</b>	<b>(32,113,463)</b>	<b>(32,330,035)</b>	<b>(33,804,788)</b>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Changes in Net Position, Last Ten Fiscal Years**  
*Unaudited*

**General Revenues and Other Changes in Net Position**

<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	13,457,287	14,521,766	15,286,742	15,551,044	15,754,360	15,873,706	15,868,258	16,147,974	16,212,385	16,506,429
Taxes levied for debt service	1,424,331	1,531,726	1,355,828	1,472,365	1,457,168	1,457,168	1,457,168	1,498,206	1,498,206	1,673,376
Unrestricted grants and contributions	7,222,920	7,301,497	9,018,736	11,953,996	12,612,680	11,993,921	13,328,842	14,349,088	16,376,166	16,882,546
Tuition Received	7,581,076	6,734,504	9,673,374	10,332,988	10,935,928	11,004,932	10,763,744			
Authorized bond proceeds				13,680,341	(11,800,000)		(1,380,341)			
Transportation fees from other LEA's	96,898	-	372,546	374,232	268,006	108,608	65,528			
Premium on BANS					86,725					
Investment earnings	90,020	176,431	104,908	29,673	82,818	136,986	122,949	36,456	13,302	17,799
Miscellaneous income	72,160	1,568,078	107,638	555,375	148,088	474,787	169,439	184,997	156,984	190,592
Canceled accounts payable prior year					1,913		361,812	2,372		1,763
Prior year tuition adjustment				(294,815)						
Prior year depreciation adjustment		968,961	-							
<b>Total governmental activities</b>	<b>29,944,692</b>	<b>32,802,963</b>	<b>35,919,772</b>	<b>53,655,199</b>	<b>29,547,686</b>	<b>41,050,108</b>	<b>40,757,399</b>	<b>32,219,093</b>	<b>34,257,043</b>	<b>35,272,505</b>
<b>Business-type activities:</b>										
Investment earnings	13,433	14,392	10,886	3,953	6,621	9,906	10,943	3,310	1,214	1,469
Transfers										
<b>Total business-type activities</b>	<b>13,433</b>	<b>14,392</b>	<b>10,886</b>	<b>3,953</b>	<b>6,621</b>	<b>9,906</b>	<b>10,943</b>	<b>3,310</b>	<b>1,214</b>	<b>1,469</b>
<b>Total district-wide</b>	<b>29,958,125</b>	<b>32,817,355</b>	<b>35,930,658</b>	<b>53,659,152</b>	<b>29,554,307</b>	<b>41,060,014</b>	<b>40,768,342</b>	<b>32,222,403</b>	<b>34,258,257</b>	<b>35,273,974</b>
<b>Change in Net Position</b>										
Governmental activities	(2,641,874)	2,130,629	2,182,712	15,355,479	(10,332,613)	1,482,417	(82,215)	117,352	1,918,258	1,495,384
Business-type activities	130,200	(49,815)	33,207	84,930	129,511	78,172	89,481	(8,412)	9,964	(26,198)
<b>Total district</b>	<b>(2,511,674)</b>	<b>2,080,814</b>	<b>2,215,919</b>	<b>15,440,409</b>	<b>(10,203,102)</b>	<b>1,560,589</b>	<b>7,266</b>	<b>108,940</b>	<b>1,928,222</b>	<b>1,469,186</b>

Source: CAFR Schedule A-2

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*Unaudited*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Restricted						6,571,595	8,019,117	8,080,045	8,029,844	7,951,568
Assigned								1,057,814	316,838	300,000
Committed						379,814	195,926	82,586	82,644	85,195
Unassigned						(361,174)	(709,662)	(994,931)	(791,592)	(460,749)
Reserved	1,147	48,638	623,123	3,884,621	5,706,667					
Unreserved	(2,527,337)	(1,475,707)	318,301	(775,524)	(609,351)					
<b>Total general fund</b>	<u>(2,526,190)</u>	<u>(1,427,069)</u>	<u>941,424</u>	<u>3,109,097</u>	<u>5,097,316</u>	<u>6,590,235</u>	<u>7,505,381</u>	<u>8,225,514</u>	<u>7,637,734</u>	<u>7,876,014</u>
<b>All Other Governmental Funds</b>										
Restricted						1,697,081	161,833	139,902	(44,734)	(48,658)
Assigned									789,814	236,323
Committed						14,626				
Unassigned						(48,032)	134,027			
Reserved	1,707,273	257,409	72,632	2,232,790	1,737,244					
Unreserved, reported in:										
Special revenue fund	(89,166)	(89,166)	(110,054)	(45,752)	(46,531)					
Debt service fund	18,835	34,288	53,763							
<b>Total all other governmental funds</b>	<u>1,636,942</u>	<u>202,531</u>	<u>16,341</u>	<u>2,187,038</u>	<u>1,690,713</u>	<u>1,663,675</u>	<u>295,860</u>	<u>139,902</u>	<u>745,080</u>	<u>187,665</u>

Source: CAFR Schedule B-1

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**Unaudited**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax levy	14,881,618	16,053,492	16,642,570	17,023,409	17,211,528	17,330,874	17,325,426	17,646,180	17,710,591	18,179,805
Tuition charges	7,581,076	6,734,504	9,673,374	10,332,988	10,935,928	11,004,932	10,763,744	10,031,406	10,368,696	9,854,615
Transportation fees from other LEA's	96,898		372,546	374,232	268,006	108,608	65,528	106,688	89,274	72,947
Authorized bond proceeds				13,680,341						
Premium on BANS					86,725					
Interest earnings	90,020	176,431	104,908	29,673	82,818	136,986	122,949	36,456	13,302	17,799
Miscellaneous	72,160	1,568,078	107,638	555,375	148,088	474,787	169,439	184,997	156,984	190,592
Local sources				845	15,090	24,821	30,732	39,102	38,541	44,422
State sources	11,775,958	12,999,729	15,296,007	15,495,103	14,066,255	15,324,843	17,153,603	19,234,007	20,690,437	21,777,444
Federal sources	1,449,637	1,513,622	1,451,962	1,337,221	4,015,534	2,118,677	2,171,111	1,768,721	1,851,806	2,228,162
<b>Total revenue</b>	<b>35,947,367</b>	<b>39,045,856</b>	<b>43,649,005</b>	<b>58,829,187</b>	<b>46,829,972</b>	<b>46,524,528</b>	<b>47,802,532</b>	<b>49,047,557</b>	<b>50,919,631</b>	<b>52,365,786</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	13,578,326	13,632,222	14,263,014	14,514,741	15,737,602	16,000,702	15,953,026	15,988,102	16,429,630	17,030,103
Special education instruction	2,397,677	2,641,398	2,411,048	2,715,445	2,768,922	2,775,736	2,991,466	3,114,831	2,996,318	2,833,375
Other instruction	755,111	737,417	789,801	917,775	984,650	832,708	1,034,069	1,096,932	1,102,996	1,311,181
<b>Support Services:</b>										
Tuition	343,318	444,086	530,869	480,244	430,965	562,886	907,174	1,064,516	1,216,548	1,375,645
Student & instruction related services	3,432,870	3,012,741	3,454,749	3,855,442	4,288,327	3,987,763	4,508,703	5,019,181	4,972,797	5,025,883
General administrative services	705,599	803,757	858,373	940,582	838,312	751,321	683,550	659,991	775,753	771,690
School Administrative services	1,335,520	1,742,670	2,048,926	1,884,748	2,055,120	1,862,916	1,769,602	1,707,374	1,744,611	1,729,060
Plant operations and maintenance	2,942,269	2,844,734	3,096,687	3,981,895	3,868,452	3,143,460	3,319,292	3,172,144	3,450,414	3,577,016
Pupil transportation	1,397,610	844,777	1,428,176	1,480,764	1,571,381	1,576,219	1,720,327	1,738,395	1,772,024	1,715,234
Business administrative services	1,674,694	936,446	916,767	1,044,682	907,958	654,854	715,728	722,338	740,424	725,770
Unallocated employee benefits	7,626,474	8,526,050	9,270,248	8,526,385	9,598,786	9,348,170	10,440,306	11,260,668	11,233,264	11,214,715
Capital outlay	1,018,824	1,791,581	1,240,699	12,198,110	983,768	1,303,782	725,012	484,015	1,970,512	2,896,801
<b>Debt service:</b>										
Principal	444,953	464,953	624,953	649,953	643,953	1,270,000	1,205,000	1,235,000	1,310,000	1,330,000
Interest and other charges	1,003,470	986,860	1,032,392	1,005,236	976,798	1,139,830	1,263,417	1,222,267	1,186,942	1,150,211
<b>Total expenditures</b>	<b>38,656,715</b>	<b>39,409,692</b>	<b>41,966,702</b>	<b>54,196,002</b>	<b>45,654,994</b>	<b>45,210,347</b>	<b>47,236,672</b>	<b>48,485,754</b>	<b>50,902,233</b>	<b>52,686,684</b>
Excess (Deficiency) of revenues over (under) expenditures	(2,709,348)	(363,836)	1,682,303	4,633,185	1,174,978	1,314,181	565,860	561,803	17,398	(320,898)
<b>Other Financing sources (uses)</b>										
Prior year tuition adjustment				(294,815)						
Canceled accounts payable prior year					1,913		361,812	2,372		1,763
Canceled bond proceeds							(1,380,341)			
Capital leases (non-budgeted)		28,500			315,003	151,700				
Increase in Maintenance Reserve			500,000							
Bond proceeds	2,614,000									
Transfers in	28,552	84,287	92,107		93,176	818,799	724,837	413,100	1,953,850	1,167,967
Transfers out	(28,552)	(84,287)	(92,107)		(93,176)	(818,799)	(724,837)	(413,100)	(1,953,850)	(1,167,967)
<b>Total other financing sources (uses)</b>	<b>2,614,000</b>	<b>28,500</b>	<b>500,000</b>	<b>(294,815)</b>	<b>316,916</b>	<b>151,700</b>	<b>(1,018,529)</b>	<b>2,372</b>	<b>-</b>	<b>1,763</b>
<b>Net change in fund balances</b>	<b>(95,348)</b>	<b>(335,336)</b>	<b>2,182,303</b>	<b>4,338,370</b>	<b>1,491,894</b>	<b>1,465,881</b>	<b>(452,669)</b>	<b>564,175</b>	<b>17,398</b>	<b>(319,135)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>3.85%</b>	<b>3.86%</b>	<b>4.07%</b>	<b>3.94%</b>	<b>3.63%</b>	<b>5.49%</b>	<b>5.31%</b>	<b>5.12%</b>	<b>5.10%</b>	<b>4.98%</b>

Source: CAFR Schedule B-2

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**General Fund Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
***Unaudited***

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Transportation Fees from other LEA's</u>	<u>Misc.</u>	<u>Total</u>
2006	90,020	7,581,076	96,898	72,160	7,840,154
2007	176,431	6,734,504		1,568,078	8,479,013
2008	104,908	9,673,374	372,546	107,638	10,258,466
2009	29,673	10,332,988	374,232	556,220	11,293,113
2010	82,818	10,935,928	268,006	148,088	11,434,840
2011	136,986	11,004,932	108,608	474,787	11,725,313
2012	120,451	10,763,744	65,528	169,439	11,119,162
2013	36,456	10,031,406	106,688	184,997	10,359,547
2014	13,302	10,368,696	89,274	156,984	10,628,256
2015	17,799	9,854,615	72,947	190,592	10,135,953

Source: District Records

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2006	21,518,400	567,908,100	22,690,900	5,980,700	140,103,800	21,031,700	7,708,100	786,941,700	3,573,400	4,280,750	787,649,050	2.038	1,162,989,293
2007	19,674,500	590,584,400	23,686,300	5,889,800	145,483,600	21,031,700	7,732,900	814,083,200	1,332,300	3,778,874	816,529,774	2.039	1,363,394,393
2008	19,334,600	607,801,900	23,043,600	5,842,900	147,236,700	23,512,800	7,732,900	834,505,400	2,879,100	3,605,816	835,232,116	2.038	1,493,581,717
2009	18,665,200	614,622,900	23,667,400	5,821,900	153,108,200	20,219,400	7,732,900	843,837,900	2,686,000	3,310,989	844,462,889	2.038	1,560,289,186
2010	18,359,200	617,744,600	23,051,900	5,877,300	156,430,100	20,219,400	7,732,900	849,415,400	2,592,500	3,490,780	850,313,680	2.038	1,485,264,070
2011	18,128,500	620,302,800	21,771,600	5,726,000	155,236,500	20,290,700	7,732,900	849,189,000	2,228,800	3,086,138	850,046,338	2.038	1,528,585,395
2012	17,929,300	621,441,600	22,363,700	5,689,800	179,267,900	13,320,200	7,608,200	867,620,700	928,900	3,328,262	870,020,062	2.028	1,411,600,333
2013	17,881,600	626,431,400	23,053,000	5,587,700	176,415,800	13,320,200	7,608,200	870,297,900	525,700	2,934,449	872,706,649	2.028	1,386,195,699
2014	17,158,800	629,107,800	23,171,000	5,646,100	175,014,400	13,320,200	7,608,200	871,026,500	222,000	2,550,308	873,354,808	2.082	1,324,214,087
2015	29,576,100	975,867,900	40,985,200	6,629,100	265,759,500	23,079,100	13,575,100	1,355,472,000	222,000	3,977,331	1,359,227,331	1.367	

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Rate per \$100 of Assessed Value**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Town of Hammonton Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Town of Hammon- ton	Atlantic County	
2006	1.844	0.194	2.038	0.751	0.539	3.328
2007	1.873	0.166	2.039	0.755	0.513	3.307
2008	1.872	0.166	2.038	0.760	0.519	3.317
2009	1.865	0.173	2.038	0.761	0.559	3.358
2010	1.867	0.171	2.038	0.765	0.562	3.365
2011	1.867	0.171	2.038	0.769	0.656	3.463
2012	1.856	0.172	2.028	0.825	0.628	3.481
2013	1.856	0.172	2.028	0.875	0.746	3.649
2014	1.890	0.192	2.082	0.905	0.722	3.709
2015	1.214	0.153	1.367	0.624	0.495	2.486

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

- a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- b Rates for debt service are based on each year's requirements.

**TOWN OF HAMMONTON  
Principal Property Tax Payers,  
Current Year and Nine Years Ago  
Unaudited**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
NJ Manufacturers Insurance Company	26,918,400		1.98%			
Kramer Beverage RE LLC	9,459,900		0.70%			
Rt 206 Inc.	9,138,200		0.67%			
Atlantic Health Land Holdings LLC	8,358,900		0.61%			
CSMC 2007 C2/Day Pitney LLP	8,158,900		0.60%			
Copper Atlantic Commerce Holdings	7,945,400		0.58%			
Wal-Mart RE Bus Trst	7,939,200		0.58%			
Peachtree LLC	6,367,800		0.47%			
Bellevue Property Group	3,650,500		0.27%			
Vision Property, Blueberry Crossing	3,614,800		0.27%			
Alan Litt Exchange, LLC				6,601,600		0.84%
Kramer Beverage Co. LLC				6,276,800		0.80%
Rt 206 Inc				5,614,000		0.72%
The TSG Grat #1, LLC				5,186,100		0.66%
1001 Grand Ave Assoc, LP				5,084,800		0.65%
Wal-mart RE Bus. Trust				4,658,700		0.59%
Peachtree LLC				3,440,600		0.44%
HMS of Hammonton, LLC				2,429,700		0.31%
Bellevue Property Group				2,291,100		0.29%
Vision Properties Blueberry Crossing				2,223,700		0.28%
<b>Total</b>	<u><u>91,552,000</u></u>		<u><u>6.74%</u></u>	<u><u>43,807,100</u></u>		<u><u>5.59%</u></u>

Source: District CAFR & Municipal Tax Assessor  
District Total Taxable Value

**TOWN OF HAMMONTON**  
**Property Tax Levies and Collections,**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	14,881,618	14,881,618	100%	
2007	16,053,492	16,053,492	100%	
2008	16,642,570	16,642,570	100%	
2009	17,023,409	17,023,409	100%	
2010	17,211,528	17,211,528	100%	
2011	17,330,874	17,330,874	100%	
2012	17,325,426	17,325,426	100%	
2013	17,646,180	17,646,180	100%	
2014	17,710,591	17,710,591	100%	
2015	18,179,805	18,179,805	100%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

**Note:** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, which is the amount voted upon or certified prior to the end of the school year.

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2006	23,263,812		2,483,303			25,747,115	0.147%	37,880
2007	23,287,859		1,246,554			24,534,413	0.159%	38,908
2008	22,662,906		372,816			23,035,722	0.173%	39,829
2009	22,012,953		125,214			22,138,167	0.178%	39,431
2010	33,314,000		341,965	7,100,000		40,755,965	0.098%	39,835
2011	32,544,000		353,143			32,897,143	0.126%	41,397
2012	31,339,000		238,429			31,577,429	0.134%	42,288
2013	30,104,000		146,484			30,250,484	0.140%	42,425
2014	28,794,000		50,317			28,844,317	0.147%	42,425
2015	27,464,000					27,464,000	0.154%	42,425

Source: District CAFR Schedules I-1, I-2

**Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.**

- a See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b Includes Early Retirement Incentive Plan (ERIP) refunding. Also includes funds in the amount of \$6,600,000 used to retire Bond Anticipation Notes.

**TOWN OF HAMMONTON**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2006	23,100,000		23,100,000	2.93%	1,718
2007	23,174,000		23,174,000	2.84%	1,721
2008	22,599,000		22,599,000	2.71%	1,679
2009	21,999,000		21,999,000	2.61%	1,639
2010	33,314,000		33,314,000	3.92%	2,480
2011	32,544,000		32,544,000	3.83%	2,199
2012	31,339,000		31,339,000	3.60%	2,123
2013	30,104,000		30,104,000	3.46%	2,037
2014	28,794,000		28,794,000	3.30%	1,946
2015	27,464,000		27,464,000	2.02%	1,854

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a** See Exhibit J-6 for property tax data.
- b** Population data can be found in Exhibit J-14.

**TOWN OF HAMMONTON**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2015**  
*Unaudited*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Town of Hammonton	19,259,043	100.00%	19,259,043
<b>Other debt</b>			
Atlantic County	146,874,191	3.20%	<u>4,699,974</u> % not updated
Subtotal, overlapping debt			23,959,017
<b>Town of Hammonton School District Direct Debt</b>		100.00%	<u>27,464,000</u>
<b>Total direct and overlapping debt</b>			<u><u>51,423,017</u></u>

**Sources:** Town of Hammonton Finance Officer, Atlantic County Finance Office

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Hammonton. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**  
*Unaudited*

**Legal Debt Margin Calculation for Fiscal Year 2014**

	Equalized valuation basis	
	2014	1,315,215,979
	2013	1,312,072,818
	2012	<u>1,367,021,767</u>
	<b>[A]</b>	<u><u>3,994,310,564</u></u>
Average equalized valuation of taxable property	<b>[A/3]</b>	1,331,436,855
Debt limit (4 % of average equalization value)	<b>[B]</b>	53,257,474 a
Net bonded school debt	<b>[C]</b>	<u>27,464,000</u>
Legal debt margin	<b>[B-C]</b>	<u><u>25,793,474</u></u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	36,632,790	31,904,554	51,366,979	57,358,013	59,620,835	60,462,261	58,715,336	57,352,146	54,542,599	53,257,474
Total net debt applicable to limit	<u>23,100,000</u>	<u>23,174,000</u>	<u>22,599,000</u>	<u>21,999,000</u>	<u>33,314,000</u>	<u>32,544,000</u>	<u>31,339,000</u>	<u>30,104,000</u>	<u>28,794,000</u>	<u>27,464,000</u>
Legal debt margin	<u><u>13,532,790</u></u>	<u><u>8,730,554</u></u>	<u><u>28,767,979</u></u>	<u><u>35,359,013</u></u>	<u><u>26,306,835</u></u>	<u><u>27,918,261</u></u>	<u><u>27,376,336</u></u>	<u><u>27,248,146</u></u>	<u><u>25,748,599</u></u>	<u><u>25,793,474</u></u>
Total net debt applicable to the limit as a percentage of debt limit	63.06%	72.64%	44.00%	38.35%	55.88%	53.83%	53.37%	52.49%	52.79%	51.57%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
*Unaudited*

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2006	13,448	509,410	37,880	6.50%
2007	13,464	523,857	38,908	7.20%
2008	13,463	536,218	39,829	7.20%
2009	13,420	529,164	39,431	8.90%
2010	13,433	535,104	39,835	15.60%
2011	14,798	612,593	41,397	16.00%
2012	14,759	624,129	42,288	16.20%
2013	14,782	627,126	42,425	16.80%
2014	14,813	628,442	42,425	8.40%
2015	14,765	626,405	42,425	8.30%

**Source:**

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income is calculated by multiplying per capita income by the population

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Principal Employers,**  
**Current Year and Nine Years Ago**  
*Unaudited*

Employer	2015			2006		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	-			0.00%
		2	-			0.00%
		3	-			0.00%
		4	-			0.00%
		5	-			0.00%
		6	-			0.00%
		7	-			0.00%
		8	-			0.00%
		9	-			0.00%
		10	-			0.00%
	-		-	-		-

**Source:**

GASB requires this table to present the principal taxpayers for the current year and nine years ago, however the information was not available.

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program,**  
**Last Ten Fiscal Years**  
*Unaudited*

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Instruction										
Regular	186.6	202.0	206.0	213.0	213.0	208.0	203.6	191.0	199.5	199.5
Special education	48.8	64.0	81.0	95.0	96.0	86.0	62.0	66.0	60.0	60.0
Other special education							13.0	9.0	8.0	8.0
Vocational	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Support Services:										
Tuition										
Student & instruction related services	57.0	49.5	36.0	42.0	45.0	42.0	65.4	83.0	82.0	82.0
General administrative services	4.5	4.0	4.0	6.5	6.0	4.8	3.0	3.0	3.0	3.0
School administrative services	22.5	22.5	31.0	32.5	33.0	24.0	24.5	24.5	24.5	24.5
Business administrative services	11.0	9.0	9.0	11.5	10.0	8.0	9.0	10.0	9.5	9.5
Plant operations and maintenance	33.5	28.0	42.5	47.5	45.5	44.0	44.6	44.2	44.3	44.3
Pupil transportation	50.0	37.0	37.5	36.5	41.0	39.0	40.0	42.0	42.0	42.0
Food Service	17	18	17	18.5	19.5	19.5	19.0	19.0	21.0	21.0
Child Care	1	1	1	4	4	4	4.0	4.0	3.0	3.0
<b>Total</b>	<b>433</b>	<b>436</b>	<b>466</b>	<b>508</b>	<b>514</b>	<b>481</b>	<b>490</b>	<b>498</b>	<b>499</b>	<b>499</b>

**Source: District Personnel Records**

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>c</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>d</sup>	Average Daily Attendance (ADA) <sup>d</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2006	3,362	37,633,511	11,194	6.78%	236	1:15	1:12	1:14	3,367	3,133	2.00%	93.05%
2007	3,284	36,445,075	11,098	-0.86%	267	1:15	1:12	1:14	3,294	3,071	-2.16%	93.22%
2008	3,266	40,435,198	12,381	11.56%	288	1:15	1:12	1:14	3,265	3,057	-0.89%	93.63%
2009	3,395	42,194,457	12,428	0.39%	309	1:15	1:12	1:14	3,362	3,143	2.97%	93.49%
2010	3,434	44,385,958	12,925	4.00%	310	1:15	1:12	1:14	3,420	3,179	1.73%	92.95%
2011	3,551	43,738,546	12,317	-4.70%	296	1:15	1:12	1:14	3,521	3,280	2.95%	93.16%
2012	3,567	45,636,878	12,794	3.87%	281	1:15	1:12	1:14	3,540	3,312	0.54%	93.56%
2013	3,605	47,731,678	13,240	3.48%	268	1:15	1:12	1:14	3,595	3,352	1.55%	93.24%
2014	3,629	47,833,528	13,181	-0.45%	270	1:15	1:12	1:14	3,623	3,419	0.78%	94.37%
2015	3,601	48,688,400	13,521	2.58%	270	1:15	1:12	1:14	3,585	3,386	-1.05%	94.45%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- a Enrollment is based on the annual October district count.
- b Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-2
- c Teaching staff includes only full-time equivalents of certificated staff.
- d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**  
*Unaudited*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>District Building</b>										
<b>Early Childhood Learning Center</b>										
(2001)										
Square Feet	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365	35,365
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	492	497	499	418	432	451	408	413	383	384
<b>Elementary</b>										
(1973)										
Square Feet	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240	97,240
Capacity (students)	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464	1,464
Enrollment	875	846	648	809	840	873	907	933	979	962
<b>Middle School</b>										
(1965)										
Square Feet	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950	109,950
Capacity (students)	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604
Enrollment	643	648	816	849	827	811	823	816	817	868
<b>High School</b>										
(2002)										
Square Feet	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641	190,641
Capacity (students)	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850
Enrollment	1,355	1,293	1,303	1,319	1,335	1,415	1,427	1,443	1,450	1,387
<b>Other</b>										
Transportation										
Square Feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000

Number of Schools at June 30, 2015

- Early Learning Center = 1
- Elementary = 1
- Middle School = 1
- High School = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**General Fund**  
**Schedule of Required Maintenance for School Facilities**  
**Last Ten Years**  
**Unaudited**

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-XXX

<u>School Facilities</u>	<u>Project # (s)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
High School	SP99341L	111,121	99,644	134,785	330,661	147,195	286,799	187,754	170,105	262,752	426,596
Middle School	N/A	65,948	59,132	79,985	196,224	94,181	110,111	278,713	200,192	101,463	76,895
Elementary School	N/A	55,171	49,470	66,916	164,161	56,446	74,101	92,894	61,900	82,776	82,863
Early Childhood Center	SP99343	21,298	19,097	25,832	63,370	37,553	38,188	54,277	40,744	72,212	49,524
		<hr/>									
Total School Facilities		<u>253,538</u>	<u>227,342</u>	<u>307,518</u>	<u>754,416</u>	<u>335,375</u>	<u>509,199</u>	<u>613,638</u>	<u>472,941</u>	<u>519,203</u>	<u>635,878</u>
Other Facilities		<hr/>									
Grand Total		<u><u>253,538</u></u>	<u><u>227,342</u></u>	<u><u>307,518</u></u>	<u><u>754,416</u></u>	<u><u>335,375</u></u>	<u><u>509,199</u></u>	<u><u>613,638</u></u>	<u><u>472,941</u></u>	<u><u>519,203</u></u>	<u><u>635,878</u></u>

**TOWN OF HAMMONTON SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2015**  
**Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey School Boards Assoc. Insurance Group - Cape May Atlantic Insurance Pool		
Property Package	120,045,032	5,000
Environmental Package	1,000,000	10,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Business Income/Tuition	10,700,000	5,000
EDP	500,000	1,000
Equipment Breakdown	100,000,000	5,000
 General Liability	 11,000,000	
 Automobile Liability	 11,000,000	
 Auto Phys. Damage	 ACV Basis	 1,000
 Workers' Compensation and Supplemental Indemnity		
Workers' Compensation Part #1	Statutory	
Employers' Liability Part #2		
Each Accident/Each Employee/Limit by Disease	2,000,000	
 School Leaders Errors and Omissions Liability		
Coverage A	11,000,000	10,000
Coverage B	100,000/300,000	10,000
 Surety Bond - RLI Insurance Company	 25,000	
Business Administrator - Barbara S. Prettyman		

Source: District Records.

**Single Audit Section**

# NIGHTLINGER, COLAVITA & VOLPA

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*Certified Public Accountants*

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November 30, 2015

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Town of Hammonton School District  
County of Atlantic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education of the Town of Hammonton School District's basic financial statements and have issued our report thereon dated November 30, 2015.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Hammonton Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Hammonton Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Hammonton Board of Education's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

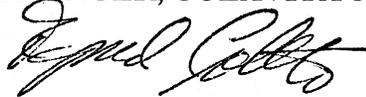
As part of obtaining reasonable assurance about whether the Town of Hammonton Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

This report is intended solely for the information and use of the audit committee, management, the Town of Hammonton Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915

# NIGHTLINGER, COLAVITA & VOLPA

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November 30, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
SCHEDULE OF AWARDS REQUIRED BY OMB CIRCULAR A-133  
AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Town of Hammonton School District  
County of Atlantic, New Jersey

**Report on Compliance for each Major Program**

We have audited the Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2015. The Town of Hammonton Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Town of Hammonton Board of Education's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Town of Hammonton Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town of Hammonton Board of Education's compliance with those requirements.

## Opinion on Each Major Program

In our opinion, the Board of Education of the Town of Hammonton School District, in the County of Atlantic, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

## Report on Internal Control Over Compliance

Management of the Board of Education of the Town of Hammonton School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Town of Hammonton Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB's Circular 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Hammonton Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance requirement with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiency in internal control over compliance that we consider to be a material weakness, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08.

This report is intended for the information and use of the audit committee, management, the Town of Hammonton Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915

TOWN OF HAMMONTON SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/14	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Unearned Revenue 6/30/15	(Accounts Receivable) 6/30/15	Due to Grantor at 6/30/15
<b>U.S. Department of Education</b>											
General Fund:											
Medical Assistance Program	93.778	N/A	93,556	07/01/14-06/30/15			76,222	(93,556)		(17,334)	
Total General Fund					-	0	76,222	(93,556)	0	(17,334)	0
<b>U.S. Department of Agriculture</b>											
Passed-through State Department of Education:											
Enterprise Fund:											
Food Distribution Program	10.565	N/A	\$54,626	07/01/14-06/30/15		300	54,626	(54,926)	-		
Food Distribution Program	10.565	N/A	75,302	07/01/13-06/30/14	\$300	(300)					
National School Lunch Program	10.555	N/A	645,105	07/01/14-06/30/15			601,556	(645,105)		(43,549)	
National School Lunch Program	10.555	N/A	642,902	07/01/13-06/30/14	(47,022)		47,022				
School Snack Program	10.555	N/A	547	07/01/14-06/30/15			547	(547)			
School Breakfast Program	10.553	N/A	126,315	07/01/14-06/30/15			116,305	(126,315)		(10,010)	
School Breakfast Program	10.553	N/A	124,199	07/01/13-06/30/14	(10,910)		10910				
Total Enterprise Fund					(57,632)	0	830,966	(826,893)	-	(53,559)	0
<b>U.S. Department of Education</b>											
Passed-through State Department of Education:											
Special Revenue Fund:											
No Child Left Behind (N.C.L.B.)											
Title I	84.010	NCLB-1960-14	841,842	07/01/14-06/30/15			592,960	(784,645)		(191,685)	
Title I, Carryover	84.010	NCLB-1960-13	885,785	07/01/13-06/30/14	(165,867)		292,354	(191,359)		(64,872)	
Title I, Carryover	84.010	NCLB-1960-12	832,744	07/01/12-06/30/13	(8,369)		8,369				
Title II, Part A	84.367	NCLB-1960-15	74,713	07/01/14-06/30/15			48,706	(68,491)		(19,785)	
Title II, Part A, Carryover	84.367	NCLB-1960-14	73,193	07/01/13-06/30/14	(15,812)		20,999	(5,589)		(402)	
Title II, Part A, Carryover	84.367	NCLB-1960-13	73,193	07/01/12-06/30/13	(810)		810				
Title III, English Lang Enhancement	84.365A	NCLB-1960-15	50,376	07/01/14-06/30/15			41,304	(50,376)		(9,072)	
Title III, Eng Lang Enhance, Carryover	84.365A	NCLB-1960-14	54,845	07/01/13-06/30/14	(5,666)		5,733	(187)		(120)	
IDEA Part B, Basic Regular	84.027A	IDEA-1960-15	820,041	07/01/14-06/30/15			650,228	(811,512)		(161,284)	
IDEA Part B, Basic Reg, Carryover	84.027A	IDEA-1960-14	652,461	07/01/13-06/30/14	(81,011)		97,870	(16,859)			
IDEA Part B, Preschool	84.173	IDEA-1960-15	22,885	07/01/14-06/30/15			15,757	(22,885)		(7,128)	
IDEA Part B, Preschool, Carryover	84.173	IDEA-1960-14	22,771	07/01/12-06/30/13			555	(555)			
Carl D. Perkins, Secondary	84.048	PERK-1960-15	36,766	07/01/14-06/30/15			16,523	(36,766)		(20,243)	
Carl D. Perkins, Secondary	84.048	PERK-1960-14	37,453	07/01/13-06/30/14	(8,214)		8,214				
IIS Competitive Grant	84.413A	14-RT04-A01	145,551	07/01/14-11/30/15			-	(145,551)		(145,551)	
Total Special Revenue Fund					(285,749)	0	1,800,382	(2,134,775)	0	(620,142)	0
Total Federal Financial Assistance					(343,381)	0	2,707,570	(3,055,224)	-	(691,035)	0

TOWN OF HAMMONTON SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year Ended June 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance 6/30/14	Carryover/ (Valkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances/ Adjustments for Prior Year Cancelled Encumbrances	Balance at June 30, 2015			MEMO	
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>													
<b>General Fund:</b>													
Equalization Aid	15-495-034-5120-078	\$11,214,703	07/01/14-06/30/15			11,214,703	(11,214,703)					1,046,096	11,214,703
Special Education Aid	15-495-034-5120-089	1,396,079	07/01/14-06/30/15			1,396,079	(1,396,079)						1,396,079
School Choice Aid	15-495-034-5120-068	1,787,422	07/01/14-06/30/15			1,787,422	(1,787,422)					166,729	1,787,422
Special Education Extraordinary Aid	15-100-034-5120-473	223,223	07/01/14-06/30/15				(223,223)		(223,223)				223,223
Special Education Extraordinary Aid	14-100-034-5120-473	192,009	07/01/13-06/30/14	(\$192,009)		192,009							
Nonpublic Transportation Aid	15-495-034-5120-014	5,046	07/01/14-06/30/15										5,046
Nonpublic Transportation Aid	14-495-034-5120-014	4,395	07/01/13-06/30/14	(4,395)		4,395	(5,046)		(5,046)				
Transportation Aid	15-495-034-5120-014	132,393	07/01/14-06/30/15			132,393	(132,393)					12,349	132,393
PARCC Readiness	15-495-034-5120-098	27,340	07/01/14-06/30/15			27,340	(27,340)					2,550	27,340
Per Pupil Growth Aid	15-495-034-5120-097	27,340	07/01/14-06/30/15			27,340	(27,340)					2,550	27,340
Security Aid	15-495-034-5120-084	129,159	07/01/14-06/30/15			129,159	(129,159)					12,048	129,159
Under Adequacy Aid	15-495-034-5120-096	500,000	07/01/14-06/30/15			500,000	(500,000)					46,639	500,000
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	1,483,348	07/01/14-06/30/15			1,410,402	(1,483,348)		(72,946)				1,483,348
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	1,445,363	07/01/13-06/30/14	(71,442)		71,442							
<b>Total General Fund</b>				<b>(267,846)</b>	<b>0</b>	<b>16,892,684</b>	<b>(16,926,053)</b>	<b>0</b>	<b>(301,215)</b>	<b>0</b>	<b>0</b>	<b>1,419,186</b>	<b>16,926,053</b>
<b>Special Revenue Fund:</b>													
Preschool Education Aid	15-495-034-5120-086	486,576	07/01/14-06/30/15		68,640	486,576	(455,523)			99,693		48,658	455,523
Preschool Education Aid	14-495-034-5120-086	447,336	07/01/13-06/30/14	78,702						78,702			
Preschool Education Aid	13-495-034-5120-086	474,114	07/01/12-06/30/13	68,640	(68,640)								
<b>N.J. Nonpublic Aid:</b>													
Textbook Aid	15-100-034-5120-064	37,297	07/01/14-06/30/15			37,297	(21,953)				15,344		21,953
Textbook Aid	14-100-034-5120-064	37,134	07/01/13-06/30/14	762				(762)					
Technology Aid	15-100-034-5120-373	20,032	07/01/14-06/30/15			20,032	(18,311)				1,721		18,311
Technology Aid	14-100-034-5120-373	13,540	07/01/13-06/30/14	373				(373)					
Nursing Aid	15-100-034-5120-070	59,376	07/01/14-06/30/15			59,376	(54,125)				5,251		54,125
Nursing Aid	14-100-034-5120-070	52,264	07/01/13-06/30/14	0				0					
<b>Auxiliary Services:</b>													
Compensatory Education	15-100-034-5120-067	130,519	07/01/14-06/30/15			130,519	(116,364)				14,155		116,364
Compensatory Education	14-100-034-5120-067	212,454	07/01/13-06/30/14	87,392				(87,392)					
Transportation	15-100-034-5120-068	11,475	07/01/14-06/30/15			11,475	0				11,475		0
Transportation	14-100-034-5120-068	11,438	07/01/13-06/30/14	7,523				(7,523)					
Home Instruction	15-100-034-5120-067	1,118	07/01/14-06/30/15			0	(1,118)		(1,118)				1,118
English as a Second Language	15-100-034-5120-067	7,308	07/01/14-06/30/15			7,308					7,308		
English as a Second Language	14-100-034-5120-067	11,348	07/01/13-06/30/14	11,348				(11,348)					
<b>Handicapped Services:</b>													
Examination & Classification	15-100-034-5120-066	61,416	07/01/14-06/30/15			61,416	(53,496)				7,920		53,496
Examination & Classification	14-100-034-5120-066	65,607	07/01/13-06/30/14	17,361				(17,361)					
Corrective Speech	15-100-034-5120-066	31,806	07/01/14-06/30/15			31,806	(17,582)				14,224		17,582
Corrective Speech	14-100-034-5120-066	79,682	07/01/13-06/30/14	66,792				(66,792)					
Supplemental Instruction	15-100-034-5120-066	55,400	07/01/14-06/30/15			55,400	(49,279)				6,121		49,279
Supplemental Instruction	14-100-034-5120-066	50,650	07/01/13-06/30/14	19,637				(19,637)					
<b>Total Special Revenue Fund</b>				<b>358,530</b>	<b>0</b>	<b>901,205</b>	<b>(787,751)</b>	<b>(211,188)</b>	<b>(1,118)</b>	<b>178,395</b>	<b>83,519</b>	<b>48,658</b>	<b>787,751</b>
<b>New Jersey School Development Authority</b>													
<b>Capital Projects Fund:</b>													
HVAC Replacement Project at the Middle School	1960-060-14-1002	1,503,611	4/10/14-Completion	(535,485)			(968,126)		(1,503,611)				1,503,611
Window Upgrade Project at the Middle School	1960-060-14-1003	441,751	4/10/14-Completion	(283,298)					(283,298)				283,298
<b>Total Capital Projects Fund</b>				<b>(818,783)</b>	<b>0</b>	<b>0</b>	<b>(968,126)</b>	<b>0</b>	<b>(1,786,909)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,786,909</b>
<b>State Department of Education</b>													
Debt Service Fund	14-495-034-5120-075	395,202	07/01/14-06/30/15			388,868	(388,868)						388,868
<b>State Department of Agriculture</b>													
<b>Enterprise Fund:</b>													
State School Lunch Program	15-100-010-3360-023	16,610	07/01/14-06/30/15			15,061	(16,610)		(1,549)				16,610
State School Lunch Program	14-100-010-3360-023	17,403	07/01/13-06/30/14	(2,152)		2,152							
<b>Total State Financial Assistance Subject to OMB 04-04/15-08</b>				<b>(2,152)</b>	<b>0</b>	<b>17,213</b>	<b>(16,610)</b>	<b>0</b>	<b>(1,549)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,610</b>
<b>Total State Financial Assistance Subject to OMB 04-04/15-08</b>				<b>(\$730,251)</b>	<b>0</b>	<b>18,199,970</b>	<b>(19,087,408)</b>	<b>(211,188)</b>	<b>(2,090,791)</b>	<b>178,395</b>	<b>83,519</b>	<b>1,467,844</b>	<b>19,906,191</b>
<b>On-Behalf TPAF Contributions Not Subject to OMB 04-04/15-08</b>													
On-Behalf TPAF Non-Contributory Insurance	15-495-034-5094-007	1,051,702	07/01/14-06/30/15			1,051,702	(1,051,702)						
On-Behalf TPAF Pension Contributions													
Post Retirement Medical	15-495-034-5094-001	1,669,577	07/01/14-06/30/15			1,669,577	(1,669,577)						
<b>Total State Financial Assistance</b>						<b>20,921,249</b>	<b>(21,808,687)</b>						

The Accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

**Town of Hammonton School District  
Notes to the Schedules of Financial Assistance  
June 30, 2015**

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Town of Hammonton School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from budgetary basis to GAAP basis is \$(10,709) for the general fund and \$(4,093) for the special revenue fund. See the following schedules and Note 1(E)9 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. There are no differences in the reporting of the food service or debt service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

**Town of Hammonton School District  
Notes to the Schedules of Financial Assistance  
June 30, 2015**

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
<b>State Assistance:</b>				
Actual amounts (budgetary) “revenues” from the Schedule of Expenditures of State Financial Assistance	\$19,647,332	787,751	968,126	21,403,209
Difference – budget to “GAAP” Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
	(10,709)	(3,924)		(14,633)
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>\$19,636,623</u>	<u>783,827</u>	<u>968,126</u>	<u>21,388,576</u>

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$93,556	19,636,623	19,730,179
Special Revenue Fund	2,134,606	783,827	2,918,433
Capital Projects Fund		968,126	968,126
Debt Service Fund		388,868	388,868
Food Service Fund	828,171	16,610	844,781
Total Awards and Financial Assistance	<u>\$3,056,333</u>	<u>21,794,054</u>	<u>24,850,387</u>

**Town of Hammonton School District  
Notes to the Schedules of Financial Assistance  
June 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b>Federal Assistance:</b>			
Actual amounts (budgetary) “revenues” from the Schedule of Expenditures of Federal Awards	93,556	2,134,775	2,228,331
Difference – budget to “GAAP” Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(169)	(169)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balances	<u>93,556</u>	<u>2,134,606</u>	<u>2,228,162</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2015.

**NOTE 6. SCHOOLWIDE PROGRAM FUNDS**

Schoolwide programs are not separate Federal programs as defined in OMB Circular A-133; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditure of Federal Awards. The district does not operate any schoolwide programs.

TOWN OF HAMMONTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? \_\_\_\_\_ yes       X       no
- 2) Significant deficiencies identified? \_\_\_\_\_ yes       X       none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes       X       no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? \_\_\_\_\_ yes       X       no
- 2) Significant deficiencies identified? \_\_\_\_\_ yes       X       no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ yes       X       no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00  
Auditee qualified as low-risk auditee?       X       yes \_\_\_\_\_ no

TOWN OF HAMMONTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 593,638

Auditee qualified as low-risk auditee?  X  yes   no

Internal control over major programs:

1) Material weakness (es) identified?   yes  X  no

2) Significant deficiencies identified that are not considered to be material weaknesses?   yes  X  no

Type of auditor's report issued on compliance for major programs:  Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and/or 15-08   yes  X  no

Identification of major programs:

GMIS Number(s)

Name of State Program

15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-068	School Choice Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-098	PARCC Readiness
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-096	Under Adequacy Aid
1960-060-14-1002	NJSDA-HVAC Replacement Project MS

**TOWN OF HAMMONTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

**Section II - Financial Statement Findings**

**Finding:** NONE

**Criteria or specific requirement:**

**Condition:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**TOWN OF HAMMONTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

**Section III - Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

**FEDERAL AWARDS**

**Finding:** NONE

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**TOWN OF HAMMONTON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

**Section III - Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

**STATE FINANCIAL ASSISTANCE**

**Finding:** NONE

**Program**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs: None**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**TOWN OF HAMMONTON SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, U.S. OMB Circular A-133 (Section .315 (a) (b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

**STATUS OF PRIOR - YEAR FINDINGS**

There were no prior year findings.